United Nations

United Nations Children's Fund

Financial report and audited financial statements

for the biennium ended
31 December 1991 and

Report of the Board of Auditors

General Assembly
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Supplement No. 5B (A/47/5/Add.2)

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ABBREVIATIONS

AGFUND	Arab Gulf Programme for the United Nations Development Organizations
EEC	European Economic Community
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
IAF	Inter-American Foundation
ILO	International Labour Organisation
ILSA	Institut Latinoamericano de Servicios Legales Alternativos
OPEC	Organization of Petroleum Exporting Countries
PAHO	Pan American Health Organization
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Coordinator
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFDAC	United Nations Fund for Drug Abuse Control
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFP	World Food Programme
WHO	World Health Organization

LETTERS OF TRANSMITTAL

31 March 1992

Sir,

Pursuant to financial regulation 11.4, I have the honour to submit the financial report and statements for the biennium ended 31 December 1991. These statements have been prepared and signed by the Comptroller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

Accept, Sir, the assurance of my highest consideration.

(Signed) James P. GRANT
Executive Director

The Chairman of the Board of Auditors
United Nations
New York, N.Y. 10017

30 June 1992

Sir,

I have the honour to transmit to you the financial statements of the United Nations Children's Fund, including the Greeting Card Operation, for the biennium 1990-1991 ended 31 December 1991, which were submitted by the Executive Director. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York, N.Y.

I. FINANCIAL REPORT FOR THE BIENNIUM ENDED 31 DECEMBER 1991

Introduction

1. The Executive Director of the United Nations Children's Fund (UNICEF) submits herewith the financial report of the accounts of UNICEF for the biennium ended 31 December 1991 comprising nine statements and 14 schedules. The financial report provides the details of the 1990-1991 financial results of UNICEF activities. Highlights are summarized in the following paragraphs.

Income

2. UNICEF income in 1990-1991 totalled $1,628 million. Virtually all Governments of both industrialized and developing countries contributed to UNICEF in the period 1990-1991. Income comprised $1,037 million for general resources and $591 million for supplementary funds. This included $135 million in emergency contributions. The breakdown of UNICEF income by source is: 72 per cent ($1,177 million) from Governments and intergovernmental organizations; 24 per cent ($391 million) from fund-raising campaigns, greeting card profits and individual donations; 1 per cent ($21 million) from the United Nations system; and 2 per cent ($39 million) from miscellaneous sources, including exchange rate revaluation of assets and liabilities and interest.

Expenditures

3. UNICEF expenditures in the biennium 1990-1991 were $1,486 million. This amount consisted of $805 million for programme cooperation from general resources and $538 million for programme cooperation from supplementary funds. The remaining expenditures of $143 million were for administrative services. In addition, there were write-offs and adjustments to income totalling $8 million.

Donations-in-kind

4. Donations-in-kind valued by donors at $22 million were delivered by UNICEF to projects during the period 1990-1991. Of this total, $14 million was received from the Government of Italy for the expanded programme on immunization and related activities in Africa, the Central American isthmus region and Asia. These deliveries are not reflected in the financial accounts of UNICEF, although they are handled through the administrative structures of the organization.

Special accounts

5. Special accounts not related to programmes approved by the UNICEF Executive Board are not entered in the financial accounts of UNICEF as income and expenditures. These funds are used mainly to cover the cost of goods and services purchased and delivered on a reimbursable basis by UNICEF on behalf

of Governments, other agencies in the United Nations system and non-governmental organizations. In the biennium 1990-1991, UNICEF received cash or pledges of $124 million for these special accounts in addition to the balances of the accounts at the beginning of 1990. Disbursements and obligations totalled $131 million, and $6 million was either returned to donors or approved by donors for other services.

Cash holdings

6. Total cash of $403 million (which includes the unspent balances from special accounts in the amount of $47 million) was held with first-class banks in most countries where UNICEF operates. This amount comprised of $371 million in interest-bearing time deposit accounts and $32 million in current bank accounts. The total cash holdings of UNICEF included $25 million in currencies restricted for use in the donor countries for purchases and other local expenditures.

Approved programmes

7. During the biennium 1990-1991, the Executive Board approved the amount of $1,910 million for new programmes for children in countries with which UNICEF cooperates, as well as to regional and interregional projects. This total includes $1,299 million in programmes to be funded from UNICEF general resources and $611 million for projects that the Board approved as worthy of support and that were financed by pledges of supplementary funds made in 1990-1991.

(Signed) James P. GRANT
Executive Director of the
United Nations Children's Fund

II. REPORT OF THE BOARD OF AUDITORS

Introduction

1. As required by General Assembly resolution 74 (I) of 7 December 1946, the Board of Auditors conducted an audit of the accounts of the United Nations Children's Fund (UNICEF), including the Greeting Card Operation, for the biennium ended 31 December 1991.

2. The examination was conducted in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency. The examination was conducted at UNICEF headquarters, at Copenhagen and at the field offices in Brazil, Ethiopia, Jordan, Nigeria, the Syrian Arab Republic, Thailand, Uganda and Zimbabwe, including the Greeting Card Operation offices in New York and at Geneva.

3. During the period under review, the Board of Auditors continued its practice of reporting the results of specific audits and issuing management letters containing detailed observations and recommendations to the Administration. The practice helped greatly in maintaining a continuing dialogue with the Administration.

4. The following are the most significant matters arising from our examination. We have discussed these matters with the Administration, whose responses are incorporated in the present report, where appropriate.

5. The present report is divided into two parts, covering the audit of financial statements and management issues, respectively.

Follow-up on action taken on previous audit recommendations

6. Pursuant to paragraph 17 (a) of General Assembly resolution 46/183 of 20 December 1991, the Board has reviewed measures taken to implement its prior recommendations. The Board noted that a number of effective actions were taken by the Administration to implement the recommendations made by the Board in its audit report for the period ended 31 December 1989. 1/ Detailed actions taken and the comments of the Board thereon are outlined in annex I to the present report. In summary, the Board wishes to emphasize that the problem of outstanding advances persists. The Board's audit visits to field offices revealed that new advances continued to be released when expenditures on the utilization of prior advances had not been submitted. Also, supplementary-funded projects continued to show significant deficits that were charged to general resources, for lack of donor funding.

1/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5B (A/45/5/Add.2 and Corr.1), sect. II.

Summary of recommendations

7. The Board recommends that the following corrective actions, presented in order of priority, should be taken:

(a) To ensure a significant reduction in over-expenditures on supplementary-funded projects:

(i) The flow of financial information between headquarters locations and field offices should be further improved to expedite the reconciliation of project expenditures;

(ii) The Global Field Support System should be expanded to include the automatic "lock-up" facility to enhance expenditure monitoring in field offices (see para. 59);

(b) To make the procurement services self-sustaining, the following measures should be taken:

(i) Staff costs charged to the procurement services account should be reviewed and appropriate reductions made. In the future the number of posts should be commensurate with the volume of projected procurement services;

(ii) Expenditure monitoring should be strengthened to keep operating costs down;

(iii) The present rate of handling charges should be reviewed to reflect operating costs (see para. 72);

(c) With regard to cash advances to Governments:

(i) UNICEF should rededicate itself to ensuring full compliance by its field offices with the requirement on the release of new advances only upon the liquidation of prior ones;

(ii) Field offices should provide yearly estimates of cash advances required for disbursement to Governments in the course of the year;

(iii) A separate input code should be introduced to record advances paid out to enable a global figure to be obtained for purposes of control and follow-up (see para. 86);

(d) The payments of salary allowances and other cash incentives to government employees involved in the implementation of UNICEF-assisted programmes should discontinue, pending the development of an appropriate policy for consistent application worldwide (see paras. 102 and 104);

(e) Decisions taken in emergency situations should be regularly reviewed to establish their continuing validity to ensure that services are provided with due regard to economy (see para. 118);

(f) UNICEF should reassess the adequacy and appropriateness of its present liquidity policy, given the recurring significant excesses over the established requirement (see para. 36);

(g) In keeping with current United Nations practice, the value of non-expendable property, of which the ownership remains with UNICEF, should be disclosed as a note to the financial statements (see paras. 46 and 47);

(h) In the Greeting Card Operation the effects of unfavourable exchange rate fluctuations should be minimized by resolving the timing difference in the recognition of sales at the balance sheet date (30 April) and the dates actual payments are made by sales partners (after 31 August) (see para. 122);

(i) Unless otherwise specified by donors, all multi-year contributions received should be recognized as income to the supplementary fund in accordance with the donor's intent as specified in the disbursement schedules (see para. 79);

(j) Necessary assistance should be provided to facilitate the completion of the clean-up of the staff personal accounts (see para. 41);

(k) In addition to filling existing vacancies in the Office of Internal Audit, a timely and effective action should be taken to redress the recurring internal control weaknesses reported by the internal auditors (see paras. 136 and 141).

Summary of findings

8. The surplus of income over expenditure declined by 41.5 per cent from $229.3 million in 1988-1989 to $134.1 million in 1990-1991, owing to significant increases in programme and administrative expenditures (see para. 34).

9. Owing to unresolved weaknesses in the recording of advances given to staff members, the balance of $6.4 million as at 31 December 1991 may not necessarily reflect the true position of the staff personal accounts (see paras. 38 and 39).

10. Non-expendable property valued at $54.6 million was not disclosed as a note to the financial statements to reflect the current practice in the United Nations system (see para. 45).

11. The presentation of contributions schedules did not ensure adequate transparency in the financial reporting of contributions (see para. 49).

12. Over-expenditures on supplementary-funded programmes occurred mainly because of inadequate monitoring and untimely submission of donor reports (see paras. 56 and 57).

13. The policy of not charging emergency expenditures with the 6 per cent recovery, as well as inadequate expenditure monitoring contributed to the deficit of $0.4 million on that account (see paras. 64-66).

14. Income derived from the reimbursable procurement services could not sustain its operations due largely to the escalation of posts charged to this facility (see paras. 70 and 71).

15. Contributions income received in 1991 for supplementary-funded programmes was overstated by $7.0 million because of the inconsistent application of the policy on income recognition of multi-year pledges (see para. 78).

16. An improvement in the liquidation of cash advances to Governments was noted, although field offices continued to release new advances when previous ones had not been fully liquidated (see para. 83).

17. Programme implementation showed an increase between 1989 and 1990, but significantly slumped in 1991, especially supplementary-funded programmes (see paras. 88 and 89).

18. The Board noted the ongoing problem of evolving a flexible formula to achieve a programme mix that will satisfy both the corporate goals of UNICEF and the changing needs of each assisted country (see paras. 93-95).

19. A number of UNICEF field offices paid salary allowances and other cash incentives to government employees involved in the implementation of UNICEF-assisted programmes (see paras. 98-100).

20. The accounts of the World Summit for Children disclosed an unexpended balance of $120,837 and an unpaid pledge of $114,287 as at 31 December 1991 (see paras. 106 and 107).

21. Inadequate inventory reporting, monitoring and disposal occurred at both headquarters and in some field offices (see paras. 109-113).

22. Based on emergency considerations, nine vehicles were hired for long periods at a total cost much higher than it would have cost to purchase similar vehicles (see paras. 114 and 117).

23. The Greeting Card Operation incurred recurrent net losses on exchange rate adjustments in the past few years through unfavourable exchange rate fluctuations owing, in part, to the application of different rates of exchange in recognizing income (i.e., at the balance sheet date and at the dates remittances are received from sales partners) (see paras. 120 and 122).

24. Contrary to established practice, the sum of $136,890 was due for payment to four Member States of the United Nations as customs duties and taxes levied on the sale of the Greeting Card Operation products (see para. 125).

25. Actual sales of two countries were grossly understated when prior year's deliveries were used as a basis for recording current year's sales for countries whose figures were not received before the accounts were closed (see para. 130).

26. Adequate internal audit coverage of UNICEF activities in the biennium 1990-1991 was not possible because of the delay in hiring qualified personnel to encumber vacant posts in the Office of Internal Audit (see paras. 134 and 135).

27. Reported internal control weaknesses remained unresolved because of untimely and inadequate implementation of internal audit recommendations (see paras. 140 and 141).

28. Lack of opportunities for professional consultations and insufficient supervision hindered both productivity and the efficient audit execution and reporting by outposted internal auditors (see paras. 145 and 147-149).

Part I: Financial statements

Liquidity position

29. Pursuant to paragraph 10 of General Assembly resolution 46/183, the Board reviewed the liquidity position of UNICEF as at 31 December 1991. In this review, liquidity is conceived as the ability of the organization to liquidate its current liabilities using current assets. This is expressed in terms of increase or decrease in net current assets or in working capital.

30. As at 31 December 1991 the current assets of UNICEF, amounting to $842.5 million, exceeded its current liabilities of $268.8 million by 3.1 times, implying that the organization would be able to meet its obligations as and when they fall due. In the determination of this ratio, we excluded funds-in-trust for procurement services and other services involving $47.1 million since these funds do not finance UNICEF regular programmes. Contributions receivable for future years of $86.7 million is also excluded on the grounds that they were not yet due for collection (see annex II of the present report for details of the liquidity position).

31. The cash holdings of $356.1 million exceeded the current liabilities of $268.8 million by $87.3 million. To satisfy the liquidity requirements of UNICEF, general resources convertible total cash balance should equal 10 per cent of projected general resources income.

32. The projected general resources income for 1992 was fixed as $518 million and the total general resources convertible cash balance as at 31 December 1991 stood at $249 million. Therefore, the general resources convertible cash balance exceeded the 10 per cent of the projected general resources income of $51.8 million by $197.2 million.

33. The excess liquidity of $197.2 million above included $80.4 million which is not available for the organization's regular programme activities as at 31 December 1991 and therefore must be excluded from the computation. The $80.4 million is made up of $19.6 million set aside for the capital assets fund approved by the Executive Board, $56.8 million relates to contributions received in advance and $4 million represents UNICEF staff contributions to the medical insurance fund. The excess liquidity after these considerations stands at $116.4 million.

34. The surplus of income over expenditure declined from $229.3 million in the biennium 1988-1989 to $134.1 million in 1990-1991. The decline is mainly attributable to increases in programme expenditure in the current biennium. General resources increased by $178 million (39 per cent), supplementary-funded programmes by $96 million (22 per cent) and administrative expenses by $34 million (32 per cent).

35. On the problem of excess liquidity, however, it is observed that a comparison of general resources receipts to payments for the period 1986-1991 shows an increasing trend of payments exceeding receipts (with the exception of 1988) during the first quarter of each year as shown below:

Receipts and payments for first quarter

(Millions of United States dollars)

Year	1986	1987	1988	1989	1990	1991
Income (first quarter)	46.7	57.8	106.0	54.9	89.0	68.9
Payments (a three-month average)	65.55	74.75	87.75	94.50	117.75	96.0

36. The appropriateness of the liquidity requirement of UNICEF is doubtful, given the fact that in the past two bienniums general resources convertible cash balances have exceeded the stated liquidity requirement by significant amounts because programme expenditures have not kept pace with contributions, suggesting excess liquidity. However, with payments exceeding income during the first quarter of each year (as analysed above) owing, in part, to the payment pattern of donor contributions, the emerging picture seems to contradict the idea of excess liquidity. The Board therefore recommends that UNICEF should reassess the appropriateness and adequacy of its present liquidity policy.

37. The Administration agreed with the recommendation. The Division of Financial Management, in conjunction with the work of the Financial Advisory Committee and the Working Group on Financial Accountability, is examining the existing liquidity policy within the context of short-term needs, longer-term requirements, and with regard to the medium-term financial plan. In this examination, UNICEF will take into consideration the ongoing work of the Consultative Committee on Administrative Questions (Financial and Budgetary) in developing common accounting standards for the United Nations system.

Accounts and financial reporting

Staff personal accounts

38. The staff personal accounts included education grants, travel, rent and salary advances granted to staff. Deductions are effected at source for recording in these accounts. Of late, the reconciliation of these accounts has fallen into arrears and a committee was formed to study the problem. The Committee also set up a task force in July 1991 and the weaknesses identified are summarized below:

(a) Improper controls arising from the non-compliance with relevant UNICEF rules and procedures;

(b) The absence of on-line linkage among divisions and offices impeded the flow of necessary data. Cumbersome manual recording also causes errors;

(c) For lack of coordination, the reporting of deductions by the United Nations Payroll Unit is made in a format inappropriate to UNICEF.

39. As a result of the weaknesses, advances already settled are still shown in the balances of individual personal accounts. Due to wrong coding, entries are made into the wrong accounts. Consequently, the balance of $6,373,315 on the staff personal accounts as at 31 December 1991 may not reflect the true position.

40. Two working groups have also been established to explore the possibility of automating the processing and control of the staff personal accounts and to clean up those accounts. The Working Group, in an attempt to correct the errors in the accounts, has started analysing the accounts on an individual basis. However, it was noted that, owing to budgetary constraints, the ongoing efforts to clean up the accounts may not be completed in July 1992 as planned. The Board further noted that the documentation in support of the accounts already cleared was not fully explanatory.

41. In view of the importance of the exercise, the Board recommends that necessary assistance should be provided to facilitate the completion of the clean-up of the staff personal accounts. Also, for verification purposes, all the cleared accounts should be supported by proper and adequate documentation.

42. The Administration responded that in addition to close supervision at the highest level, it has provided three more temporary staff to assist with the clean-up. The volume and complexity of the task and the shortcomings of present system linkages with, for example, the United Nations payroll have delayed progress. The clean-up is therefore not expected to be completed before November 1992.

Non-disclosure of value of non-expendable property

43. The findings and recommendations of the Board in the succeeding paragraphs are presented in the light of the ongoing development and harmonization of the general accounting framework for the presentation of financial statements in the United Nations system.

44. Acquisitions by UNICEF of non-expendable property are charged to budgetary accounts in the year of purchase as do other organizations in the United Nations family. However, unlike other United Nations organizations, UNICEF does not provide information on non-expendable property in the notes to the financial statements.

45. International Accounting Standard 1 on the disclosure of accounting policies states, inter alia, "where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental assumption is not followed, that fact should be

disclosed together with the reason". As the value of non-expendable property is not included in the balance sheet, appropriate information should be provided in the notes to the financial statements.

46. The value of non-expendable property held by UNICEF as at 31 December 1991 was $54.6 million (excluding that of the UNICEF office at Geneva). In conformity with generally accepted accounting principles and to ensure uniformity of presentation among United Nations organizations, the Board recommended that the value of non-expendable property, ownership of which remains vested in UNICEF, should be disclosed as a note to the financial statements.

47. The definition of non-expendable property should be based on the criteria and the revised guidelines and procedures recently introduced by the United Nations in Administrative Instruction ST/AI/374 dated 16 January 1992.

48. The Board was informed that the Division of Financial Management, in conjunction with the Office of Administrative Management, will ensure that the value of the non-expendable property of UNICEF is obtained in accordance with the criteria and guidelines in Administrative Instruction ST/AI/374. This information will be disclosed in the future as a note to the financial statements.

Transparency of contributions schedules

49. The Board noted that the presentation of schedules 1 to 4 did not ensure adequate transparency in the financial reporting of contributions. Opportunities for further improvement are outlined below.

50. Contributions for emergency activities are not shown separately but as part of supplementary contributions. However, emergency activities have greatly expanded over the last few years, resulting in significant growth in emergency contributions. For example, out of the total contributions of $723.3 million received in 1991, $135.6 million or 18.7 per cent was for emergencies; in 1990, $55.9 million was received as emergency contributions. It is therefore necessary to classify and disclose supplementary contributions for emergency operations separately within the supplementary-fund category.

51. Schedule 1 could be made more informative and transparent by:

(a) Creating columns for both pledged and paid contributions to show the status of contributions for the biennium;

(b) Showing the status of contribution by fund, by type of donor and by donor.

52. The present presentation of schedule 4 is by type of donor and does not disclose the status of receivables from each donor. It may be appropriate to provide information on each donor readily to inform users and donors about the status of receivables.

53. The Board noted the efforts of the Administration to improve transparency. In this connection, the contributions receivable system was enhanced in late 1991 which will lead to the creation of additional schedules showing ageing analysis of receivables. The Administration assured that further action would be taken to improve transparency as recommended.

Part II: Management issues

Budgetary control

Over-expenditure on supplementary-funded projects

54. A deficit of $7.0 million on supplementary-funded programmes was incurred in the biennium 1990-1991 ($5.0 million in 1990 and $2.0 million in 1991). Out of the total deficit, $5.0 million was charged to general resources for lack of donor funding, while $2.0 million was under investigation as at 31 December 1991. The UNICEF Executive Board decision 1988/11 2/ requires that over-expenditures on supplementary-funded projects should be fully analysed for correctness and charged to general resources if additional contributions are not provided by donors. The over-expenditures are to be subsequently reported to the Executive Board.

55. The Board's review disclosed that the over-expenditure of $5.0 million as at 31 December 1990 was charged to general resources without formally approaching donors for additional funding. The Administration said that informal discussions were, however, made. Similarly, the reports submitted to the Executive Board in the past few years lacked adequate information on the nature and causes of the deficits. The Board is concerned about the limited ability to detect and to report in a timely fashion the over-expenditures to the donors during the implementation periods of the projects.

56. It is doubtful if appropriate funding will be obtained after significant over-commitments have occurred. Requests should therefore emanate from the field offices in good time. In 1991, only 29 per cent of the donor reports due from the field offices was received on time. In this connection, it was observed that the submission dates for donor reports in the Programme Funding Office's funding monitoring system seemed in conflict with the donor reporting schedule maintained at the Division of Financial Management. Consequently, the timing of the submission of some reports did not correspond with the donors' requirements. In one instance, a donor's contribution of $0.5 million was withheld pending the receipt of outstanding reports. It is believed that the confidence and cooperation of donors would be sustained through timely reporting.

57. Furthermore, effective expenditure monitoring was not always possible owing to delays in communicating payments made at headquarters locations to the field offices. Monitoring of expenditures was also impaired at the field offices by the absence of the facility for automatic "lock-up" in the Global Field Support System, which would sound warning signals when expenditure levels are exceeding budget allotments.

2/ Official Records of the Economic and Social Council, Supplement No. 8 (E/1988/18, E/ICEF/1988/13), sect. IV.

58. It was acknowledged that, in view of the wide geographical spread of UNICEF offices, a number of logistical problems impede the achievement of the most efficient methods of information flow. The Administration has instituted inter-divisional discussions, which include the planning and designing of the Central Accounting and Financial System aimed at addressing the difficulties involved in order to devise workable ways of improving information flows among all UNICEF offices.

59. To ensure a significant reduction in over-expenditures on supplementary-funded projects, the Board recommends that:

(a) The flow of financial information between headquarters locations and field offices should be improved to facilitate the reconciliation of project expenditures;

(b) The Global Field Support System should be expanded to include the automatic "lock-up" facility to enhance expenditure monitoring in field offices.

60. The Administration concurred with the recommendations and said that further steps have been taken, including the issuance of exception reports, to ensure the effective control of supplementary-funded project expenditures. Also, a new version of the Global Field Support System, which includes the "lock-up" facility, is currently being tested for eventual implementation.

Recovery of 6 per cent from supplementary funds

61. At its 1987 session, the Executive Board approved the recovery at the rate of 6 per cent from supplementary-funded projects to cover both the general operating costs in field offices and administrative and project support staff in headquarters. The related posts were identified in document E/ICEF/1987/AB/L.1/Add.3. The objective was to provide additional funds to finance incremental general operating costs to support the activities generated by supplementary-funded projects so as to reduce the stress on the administrative budget.

62. A total income of $4.5 million was recovered from supplementary-funded projects for the year ended 31 December 1991. Verification revealed that this amount was only applied to the project posts at the headquarters locations, excluding general operating costs in field offices.

63. Expenditures totalling $4.9 million were charged to the 6 per cent income recovered from supplementary funds ($4.5 million), resulting in a deficit of $0.4 million. Account code 94 (recovery from supplementary fund) to which the deficit was charged was categorized as field office budget, thus putting further strain on that budget. The escalation of project posts at headquarters from 41 in 1989 to 87 in 1991 is one of the causes for the over-expenditure incurred on the 6 per cent recovery fund.

64. Examination of cash assistance reports confirmed that four core posts amounting to $93,515 were charged to the 6 per cent cost recovery fund. Charges to this account by other headquarters locations were not determined at these locations and were not reviewed by New York headquarters for correctness. The present procedure of reflecting the net expenditures related

to headquarters project posts in code 94 makes monitoring and budgetary control difficult.

65. The inadequate monitoring of the appropriateness of charges to the 6 per cent recovery account did not allow the realization of the main objective of reducing the strain on the administrative budget for which the account was established by the Executive Board. To improve monitoring of charges to the recovery account, the Administration should consider the feasibility of merging this account with the administrative and programme support budget from which the project posts and related costs would be financed.

66. The Administration stated that UNICEF was very active in emergency situations in 1991. Expenditures on emergencies rose from the 1990 level by 91 per cent to $97.2 million in 1991. This shift towards emergency activities reduced the amount of expenditures on regular programmes. Since there is no standard policy on recoveries from emergency expenditures, the amount recovered was significantly less than anticipated. The deficit was therefore primarily the result of a significant shift in expenditures from supplementary to emergency programmes. To prevent the recurrence of this situation, UNICEF is proposing in 1992 to the Executive Board a revision to the existing recovery policy that will allow a 6 per cent recovery also on emergency expenditures.

67. The Board will revert to the problem of post classification and funding sources in its future audits to determine whether the classification is based on solid and verifiable assumptions. Project posts will be examined to determine whether the incumbents perform project-related functions to justify funding from project resources and whether the present location of project posts is cost-effective.

Reimbursable procurement services

68. Reimbursable procurement is a service UNICEF renders to cooperating Governments, United Nations agencies and other organizations in the procurement of supplies and equipment through the UNICEF Supply Division, Copenhagen. The income generated is used to pay the salaries and other related costs of 55 posts. Examination of this special account for the 1990-1991 biennium disclosed that the total income derived from this operation was $4,040,428, while expenditure was $5,342,602, showing a deficit of $1,302,174.

69. As at 31 December 1991, the accumulated amount of $1 million retained from the net yearly income realized on this account had been wiped away by recurrent yearly deficits. When the deficit of $1.3 million is charged to the retained balance of $0.8 million, it results in a deficit balance of $0.5 million. This calls for a review of the viability of this operation. On the other hand, if the interest of $1.3 million realized on this account is recognized as income, the net effect will be a gain of $0.8 million as at 31 December 1991.

70. A closer look at the performance of this cost centre for the past five years showed a disproportionate relationship between income and posts financed from the reimbursable procurement account.

Year	Income (Thousands of United States dollars)	Percentage increase (decrease)	Number of posts	Percentage increase (decrease)
1987	1 725	-	40	-
1988	2 093	21	43	8
1989	1 874	(11)	57	33
1990	2 079	11	55	(4)
1991	1 962	(6)	55	-

71. From the above analysis, when there was a decline in income from $2.1 million in 1988 to $1.9 million in 1989, a reduction of 11 per cent, the posts of this cost centre rather increased by 33 per cent. Similarly, when the income reduced from $2.1 million in 1990 to $1.9 million in 1991, the number of posts remained the same.

72. In the opinion of the Board, this activity should be self-sustaining and UNICEF has the responsibility to ensure that this is made possible. With this understanding, the Board reiterated the following recommendations which it made in its interim audits at both headquarters and the Supply Division, Copenhagen:

(a) Staff costs charged to this account should be reviewed and appropriate reductions made. In the future, the number of posts should be commensurate with the volume of projected procurement services;

(b) The present rate of handling charges should be reviewed to reflect operational realities;

(c) Expenditure monitoring should be strengthened to keep operating costs down.

73. The Administration accepted the recommendations and informed the Board that staff costs charged to the procurement services are currently under careful review and appropriate action will be formulated as a part of the upcoming budget preparation process. The Administration has decided to increase the present rate of handling charges from 4 per cent to 6 per cent, effective 1 July 1992.

Cash management

Income recognition of multi-year pledges

74. A review of the recording of multi-year pledges strongly suggests the need to re-examine the policy on income recognition of supplementary funds to curtail the frequent correspondence requesting the confirmation of donors' wishes prior to recording contributions received.

75. Multi-year pledges normally include disbursement schedules in the agreement. Notwithstanding, UNICEF frequently requested from donors written indications of the year or years to which their paid contributions should be applied. A typical example: "If we do not get a written indication how you wish to have the contribution recorded by the UNICEF income year, the whole contribution will be recorded as income in 1991." In this example, the following disbursement schedules were clearly indicated in the agreement: "1991 - $60.0 million, 1992 - $70.0 million, 1993 - $80.0 million". The donor responded, inter alia, that the recording of the disbursements, as income must be handled internally by UNICEF.

76. Obtaining confirmation on the timing of income recognition from donors worldwide after agreements have been signed causes delays in recognizing income. It is reasonable to assume that payment of the pledged contribution without additional instructions implies that the original disbursement schedules in the signed agreement should apply.

77. The present practice of UNICEF is to recognize the whole multi-year pledge as current year income and no income is deferred if the donor does not phase the payments in the pledge announcement letter. The proper approach is to recognize the contribution on the basis of the donor's intention. Where the intention of the donor is not clear, the pre-signing review of agreements should be able to detect the omission for clarification in the agreement.

78. We observed that, although the timing of contributions made by three donors was specified in the disbursement schedules, these contributions were recognized as income for 1991, instead of spreading them over current and future years. As a result, the 1991 contributions income was overstated by $7.0 million. In other examples, UNICEF rightly recognized as income for 1991 only the appropriate amounts specified in the disbursement schedules for that year and recognized the rest as income for future years received in advance. The policy on the recognition of supplementary-fund contributions was therefore not consistently applied by UNICEF.

79. The Board recommends that, unless otherwise specified by the donors, all multi-year contributions received should be recognized as income to the supplementary fund in accordance with the donor's intent as specified in the disbursement schedules. The income recognition policy of UNICEF should therefore be reviewed to emphasize the consistent application of the donors' specifications in order to portray the true status of supplementary-fund contributions in the financial statements.

80. The Administration agreed with the recommendation and has asked the Programme Funding Office to include a disbursement schedule in all supplementary-fund pledge agreements.

Programme management

Cash advances to Governments

81. The potential for further improvement in the administration of advances was noted. In this regard, the non-submission of estimates on advances to Governments deprives field offices of an effective standard by which payments of advances could be measured and controlled. The lack of a separate input code also prevented UNICEF from knowing the global figure of advances paid and as a result, inaccuracies persisted in the status of advances submitted to headquarters. Annual programme budgets submitted by field offices to headquarters did not indicate the proportion of their anticipated expenditure, which would be transferred to Governments in the form of advances. Thus, no restriction was imposed on such transfers.

82. The Administration believed that estimating for advances may not be feasible as field offices will not know in advance the amount to be granted in the year. The Board observed that, in addition to the annual programme budgets, field offices submit annual project plans of action, in which they detail, not only the activity but also the deadline by which each activity is to be completed. Moreover, the plans are prepared in consultation with government counterparts, making it all the more feasible for Governments to project their requirements for the year.

83. The status of outstanding advances as at 31 December 1991, which stood at $68.9 million, showed a significant reduction of 21 per cent on the balance as at 31 December 1990. The unliquidated advances at the end of the biennium represented 4.6 per cent of the total programme expenditures. While acknowledging improvement in the liquidation of cash advances owing to improved monitoring, the Board realizes the need for further improvement. The Board's audit visits to field offices revealed that in many cases field offices continued to release new advances when expenditures on the utilization of prior advances had not been submitted. In a few cases, however, these advances have been utilized for purposes intended but, owing to improper control, accounting and reporting procedures of the implementing partners, documentary evidence was lacking to confirm their utilization.

84. The search for other forms of financing to eliminate the problem of unliquidated advances has led to the introduction of a new system by which Governments are required to pre-finance some projects to be reimbursed by UNICEF based on expenditures incurred. While this will be an ideal arrangement, it is not always possible because of funding constraints faced by Governments. At present some 18 offices are operating the new system.

85. The Board observed that the new system significantly slowed down project implementation in one field office, owing to the difficulty of raising the necessary funds by the Government. As UNICEF has rightly pointed out, the insistence on the reimbursement system could considerably slow down, and even paralyse the implementation of programmes. The new system may therefore be applied only to Governments that are confident of their ability to provide the necessary funding.

86. The Board recommends that:

(a) UNICEF should rededicate itself to ensuring full compliance by its field offices with the requirement on the release of new advances only upon the liquidation of prior ones;

(b) Field offices should provide yearly estimates of cash advances required for disbursement to Governments in the course of the year;

(c) A separate input code should be introduced to record advances paid out to enable a global figure to be obtained for purposes of control and follow-up.

87. The Administration will continue to monitor and control advances to Governments to ensure that strict compliance with procedures are adhered to regarding the release of new advances. The provision of yearly estimates of advances to Governments by field offices will be investigated. The use of a "separate input code for advances" will also be reviewed by the Division of Financial Management in cooperation with the Programme Division.

Project implementation

88. In order to ascertain the extent of programme implementation, the Board reviewed statistical data on country programmes, including global funds and special accounts for the biennium 1990-1991. Making use of a minimum expenditure level of 75 per cent as a performance indicator, allotments were compared with actual expenditures. The analysis disclosed that the programme implementation level showed a steady increase between 1989 and 1990, but declined in 1991. In 1989 and 1990, actual expenditure globally was 74 per cent and 80 per cent, respectively, of the total allotment, while in 1991 this percentage dropped to 69.3 per cent.

89. The level of performance of projects funded from general resources was higher than that of supplementary-funded projects. In 1990 and 1991, 83 per cent of programmes funded from general resources achieved over the 75 per cent level of implementation. For the same period, out of 256 supplementary-funded projects, only 69 projects (26.9 per cent) achieved implementation levels higher than 75 per cent, 186 (72.6 per cent) fell below the target of 75 per cent.

90. Among the causes of the low implementation of supplementary-funded programmes, the Administration identified the following. Expenditure could not keep pace with large emergency contributions received, especially in the latter part of 1991, when political transitions and internal strife slowed down implementation in many countries. Also, the implementation of large country programmes was deliberately slowed down to minimize the adverse effects of fluctuations in the value of the United States dollar. The Board urged the Administration to take appropriate measures to improve programme implementation.

91. The Administration said the Programme Division has discussed the issue of low implementation of supplementary-funded programmes at several recent meetings of section chiefs. The causes of low programme implementation were analysed and action points aimed at improving programme implementation were

identified. Field offices will be advised to take appropriate action to improve implementation of the whole country programme, giving special attention to supplementary-funded programmes.

Sectoral allocation of programme resources

92. A review of reports of the Executive Board issued between 1988 and 1991 revealed that delegates have expressed concern on a number of issues, including the direction of UNICEF goals and strategies for children and women. There were dissenting views on the level of emphasis that should be placed on the different sectors in the allocation of resources to realize the corporate goals of UNICEF. We reviewed the procedure for the preparation of the medium-term plan and the related financial plan, both of which constitute the main mechanism for the achievement of the organization's goals and objectives.

93. On the criteria for the allocation of resources among countries and the major sectors, we were informed that the Executive Board endorsed the concept that UNICEF should allocate 80 per cent of its resources to four principal areas of concern, namely: health (25 per cent), nutrition (15 per cent), water and sanitation (20 per cent) and education (20 per cent), by the year 2000. It was explained that the formula on global priorities was established based on a situation analysis of children and women and national plans and priorities. However, since needs vary from country to country and are subject to change in response to evolving national needs and priorities, it is difficult to achieve a perfect balance between the global priorities of UNICEF and the needs of individual countries.

94. In 1990, the percentage of expenditures incurred in each sector in all the countries was as follows: health, 42 per cent; child nutrition, 6 per cent; water and sanitation, 15 per cent; education, 9 per cent; other programme areas, 7 per cent; planning/programme support/advocacy, 13 per cent and emergency, 8 per cent. The percentage allocations were based on priority sectors discerned in various country programmes, Executive Board decisions, the prospects of attracting funding from donors and goals and strategies to be attained within a specified time-frame. While all the major sectors were covered, the percentages of funds disbursed did not correspond to those specified in the global policies and priorities.

95. The Administration aptly described the difficulty involved in trying to reconcile the global policies and priorities with the actual and changing needs of each country. For example, to allocate to each country a prescribed amount in the same ratio as the global priorities would be contrary to the spirit of developing country programmes, which is based on the specific needs and on the most appropriate response of assisted countries. The Administration is trying to reconcile the two by shifting emphasis so that the countries do not ignore the global priorities, the need for which is also evident in the countries.

96. These difficulties notwithstanding, there is the need for consensus between UNICEF and the Executive Board on the ratio of sectoral allocation of resources to achieve a programme mix which will meet the objectives of UNICEF and the needs of assisted countries. To achieve a balance between UNICEF objectives as specified in the global priorities and the needs of countries

would require a flexible formula, that may be adjusted from year to year and from country to country, without distorting the objectives envisaged in the global priorities.

Payments of salary allowances and other incentives to government employees in programme activities

97. The Board noted in an interim audit instances where UNICEF offices paid incentives in the form of supplementary salary allowances and daily subsistence allowances to government employees involved in UNICEF-assisted projects. This practice is contrary to the spirit and substance of the Plan of Operations agreements, which require Governments to provide the necessary personnel for the implementation of UNICEF-assisted programmes and to meet recurrent and operational costs of programme activities.

98. In one country, over 2,000 government staff were given supplementary salary allowances by UNICEF. These benefits were usually not linked to performance and productivity. A mid-term review cited an example of a national level project in which the provision of such benefits to 80 government staff absorbed 80 to 90 per cent of UNICEF resources. It was also reported in the 1990 annual report that 60 per cent of UNICEF cash assistance in this same country went into current and operational costs.

99. Examination of the 1990 annual report for another country also disclosed that, in a bid to maintain the momentum of programme activities, particularly the expanded programme of immunization in 1990, UNICEF provided salary top-ups and incentives, as well as per diem allowances to government workers involved in the programme. It was noted that the salary top-ups were paid to offset the low salaries of civil servants, particularly in the lower categories.

100. In another country, the Board noted that UNICEF was paying the salaries of district-level immunization officers and technicians in all districts. Furthermore, the office paid salaries of the staff of a government programme ior the Development of Women and Children in Rural Areas, while cash support was given to women's groups. UNICEF was paying in another country teacher's salaries in the Central Primary School to which it gives support.

101. The Board holds the view that one of the cardinal objectives of UNICEF support for country programme activities is the sustainability of programmes by Governments in the future without UNICEF support. Considering the economic situation of the assisted countries where such incentives are given, there appears to be no guarantee that the payments of these incentives will be maintained when UNICEF assistance is discontinued. Funds expended in paying supplementary salary allowances could be better utilized to expand other programmes.

102. The Board recommended that UNICEF field offices should discontinue the payments of supplementary salary allowances and should rather encourage Governments to honour their commitments under the agreements with UNICEF by strengthening the social sector through higher allocation of funds to cover basic recurrent costs related to staff support.

103. In support of the payments of salary top-ups and other incentives to some government employees, the Administration cited the economic plight in some of the countries occasioned by drought and civil war. In one country, the assistance was provided because the Government did not have a budget for those activities. The Board was informed that the issue was being discussed by the Joint Consultative Group on Programme, which is composed of UNICEF, the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and other organizations. The Administration realizes the importance of the issue and concurs with the view of the Board concerning the need for developing an appropriate policy for consistent application. UNICEF fully participates in the ongoing exercise with the aim of developing policy guidelines on the matter.

104. It is the view of the Board that, since the use of programme resources to supplement government staff salaries is not specified in the Plan of Operations agreements, the action amounts to a misapplication of project funds in grey areas which have not been identified as programme activities. Furthermore, the payment of incentives to a particular group of workers in government departments on the grounds of low salaries may give rise to possible jealousies that could inflame political and social situations. A clear policy on the matter is immediately required to ensure its consistent application worldwide.

World Summit for Children

105. The Board examined the accounts of the World Summit for Children and Summit-related mobilization activities. The accounts have not been closed, as both pledges and expenditure items continue to be received at UNICEF headquarters.

106. The Executive Board approved a total budget of $5,134,445, made up of $2,994,762 for the Summit and $2,139,683 for mobilization. The operational results indicated that out of a total pledge of $4,920,472, a sum of $4,806,185 consisting of $2,970,664 and $1,835,521 for Summit and mobilization, respectively, was paid, leaving $114,287 yet to be paid.

107. Actual expenditure of $4,685,348, made up of $2,885,798 for the Summit and $1,799,550 for mobilization, was incurred, resulting in an unspent balance of $120,837. This balance is further analysed into $84,866 and $35,971 for Summit and mobilization, respectively.

108. According to the terms of reference of the Summit, the disposition of the account balance will be determined by the UNICEF Executive Board. The Board recommended and the Administration agreed to continue to follow up on the outstanding pledges. The Division of Financial Management and Programme Funding Office will finalize figures related to unreceived balances and actual expenditures and submit a recommendation to the Executive Board to close the Summit accounts.

Expendable and non-expendable property

Inventory management in headquarters

109. As part of its joint review of the management of non-expendable property by the organizations in the United Nations system, the Board observed that the total inventory holdings of UNICEF as at 31 December 1991 was estimated at $54.6 million. Despite the Administration's efforts to improve inventory management, the timely reporting of inventory holdings of the organization was not achieved prior to the closing of the accounts for the biennium. Out of 127 field offices, 52 failed to submit their annual inventory reconciliation statements to headquarters in good time for inventory status to be updated. Upon the suggestion of the Board, the dateline for the submission of annual inventory reconciliation statements was changed from 29 February to 31 January.

110. A large quantity of obsolete inventory remained undisposed of for a long time because the meetings of the headquarters Property Survey Board were not very frequent. Throughout the biennium 1990-1991 the Property Survey Board met only three times. As a result, a pile of 56 computer pieces valued at $248,000 and a mound of discarded furniture at the Long Island warehouse had not been disposed of during the audit. The Administration intends to ensure that the Property Survey Board meets at least three times in a year.

111. The loss of equipment at headquarters through pilferage was on the increase. Since 1987, 23 cases of missing items involving $36,000 were reported. In addition to circulars issued by the Administration, security measures such as cameras, card keys and sensormatic electronic security systems have been installed.

Inventory management in field offices

112. At field offices, the Board noted opportunities for further improvement in the control of non-expendable property. New acquisitions were untimely recorded and approved items for disposal were not promptly deleted from the inventory listing. Year-end inventory counts were not always conducted by personnel who were independent of custodial functions. Some staff members failed to surrender, prior to separation, the equipment they had received on loan. The need for improving monitoring by stating the dates the equipment issued on loan are to be returned was emphasized and accepted by the Administration.

113. A staff member in a field office accumulated a bill of $20,000 through unauthorized use of the office satellite telephone for private purposes. Based on the low level of the staff member's salary, the recovery of the amount was not considered appropriate. However, the waiver was made before the Executive Director's approval was obtained. Based on the concern expressed by the Board, the Administration intends to issue instructions on the effective control of the use of a satellite telephone by staff members.

Field office operations

Vehicle rentals for emergency operations

114. Examination of contracts awarded in a UNICEF regional office disclosed that nine vehicles (five Toyota Hi-Lux pick-ups, double cabin; one Toyota Hi-Lux pick-up, single cabin; two 10-tonner trucks and one Toyota Landcruiser) were rented on different periods between April and December 1991 for emergency operations at a total cost of $322,365.

115. It was noted that, at the beginning of the emergency operations, similar vehicles were available for sale in the local market at prices that were considered reasonable.

116. Although the UNICEF policy on guidelines for emergency procurement places more emphasis on timely action for life-saving purposes than cost considerations, it recognizes the need for prompt local procurement of items that are needed and are available locally as valuable inputs, especially at the very beginning of emergency operations. Based on the urgent need at the time to save lives and reduce suffering, headquarters approved the renting of the required vehicles instead of purchasing them from the local market as requested by the UNICEF office.

117. We noted that the cost of renting the vehicles was very high and that, if the prevailing conditions had permitted the acquisition of the vehicles from the market, UNICEF would have performed the required services with its own vehicles at about 50 per cent of the cost of hiring the vehicles. Considering the availability of the appropriate vehicles at the local markets at reasonable costs at the time of hiring the vehicles, the Board is of the opinion that even if the initial conditions did not allow sufficient time for their acquisition, the vehicles should have been rented for only a limited period (one or two months). UNICEF could have used the interim period to procure vehicles to be used in providing the appropriate services after the expiration of the initial contract.

118. The Board therefore realizes the need for constant review of decisions taken under emergencies so as to establish their continuing validity in changing situations. The Board also advises that, in the future, emergency planning should be sufficiently coordinated and regularly reviewed to ensure that services are provided with sufficient regard to economical and efficient utilization of financial resources.

119. In agreeing with the recommendation, the Administration stated that decisions taken under emergencies will be constantly reviewed to ensure that resources are utilized in the most efficient and effective manner at all times.

Greeting Card Operation

Allowance for exchange-rate fluctuations

120. A review of the Greeting Card Operation consolidated financial statements for the 1990 season for the year ended 30 April 1991 disclosed a net loss of $1.6 million on exchange rate adjustments as compared with a net loss of $1.4 million recorded in the 1989 season. The net loss of $1.6 million occurred when the projected exchange rate loss of $8.6 million was set off against a gain of $7.0 million realized on periodic revaluations of assets and liabilities held in currencies other than the United States dollar.

121. The Board observed from the recognition agreements that whereas the national committees are expected to submit stock and cash reports by 30 April, remittances of proceeds are to be made each year after the campaign by 31 August. In spite of this concession, long delays in the submission of sales proceeds after the due date by national committees were observed after each campaign. For example, five national committees had failed to remit a receivable of $1.0 million for the 1989 season, while two Committees owed $0.5 million for the 1987 and 1988 campaigns.

122. The effect of exchange-rate fluctuations is heightened by long delays in the transfer of sales proceeds to UNICEF, especially delays beyond the 31 August deadline. There were recurring net losses in the past four fiscal years (1987, $2.6 million, 1988, $9.2 million, 1989, $1.4 million and 1990, $1.6 million). The Board has expressed the need to minimize the effects of exchange-rate fluctuations by resolving the timing difference in the recognition of sales at the balance sheet date (30 April) and the dates actual payments are made by the sales partners (after 31 August).

123. The Administration took note of the recommendation and will, during the ensuing review of existing agreements, discuss with national committees the possibility of bringing forward the date of transfer of sales proceeds to UNICEF. In addition, the Administration will continue with its ongoing efforts to collect all outstanding accounts receivable.

Imposition of customs duties and taxes on Greeting Card Operation products

124. Article XVII entitled "Greeting Card and other UNICEF products" as contained in the recommendation on the model Basic Cooperation Agreement between UNICEF and Governments (E/ICEF/1991/L.1/Rev.1 of 27 March 1991) states, inter alia, that "any materials imported or exported by UNICEF or by national bodies duly authorized by UNICEF to act on its behalf, in connection with the established purposes and objectives of the UNICEF Greeting Card Operation, shall be exempt from all customs duties, prohibitions and restrictions and the sale of such materials for the benefit of UNICEF shall be exempt from all national and local taxes".

125. Contrary to the above, we observed from our validation of the final accounts of UNICEF Greeting Card Operation, New York, as at 30 April 1991, that a total sum of $136,890 stood as accounts payable to four States Members of the United Nations as duties and taxes.

126. We noted a statement by the General Legal Division of the United Nations which implies that Governments in countries where cards are sold have generally recognized that it would be inappropriate for a Member State to impose customs duties on UNICEF Greeting Card Operation projects.

127. Upon the recommendation of the Board, the Administration assured that it would continue its efforts with the help of the United Nations Office of Legal Affairs to assist sales partners in obtaining exemption from customs duties and taxes.

Untimely submission of stock and cash accounting reports

128. National committees and other sales partners are required to submit sales reports and inventory accounts to the Greeting Card Operation prior to the final closing of its accounts. In case of default, it is the policy of the Greeting Card Operation to record the prior year's deliveries as estimated sales for the current year in order to enable it to finalize its accounts.

129. Despite regular follow-ups, about 50 per cent of countries that come under the Greeting Card Operation office, Geneva, failed to submit these reports on time, nine of which were submitted after accounts had been closed. Consequently, sales figures recorded in the 1990 campaign that ended on 30 April 1991 were based on deliveries made in the 1989 campaign.

130. Estimated sales recorded in respect of two of the defaulting countries were significantly lower than the actual sales. In one case, actual sales were higher by $12,662 (170 per cent) and in the other by $65,654 (234 per cent). The use of estimated figures as a basis for recording sales for defaulting countries is therefore likely to have a negative effect on the sales account, as they may have been grossly understated. Efforts to improve submission of the relevant reports were noted. A circular letter was sent to all sales partners requesting strict compliance with the reporting deadline of 30 April 1992.

Internal Audit

Professional resources

131. As part of its horizontal review of the internal audit function in United Nations organizations, the Board examined the resources available to the UNICEF Office of Internal Audit to enable it adequately to discharge its professional responsibilities.

132. We observed that three P-5 posts, out of a total of 13 international Professional core posts available to the Office of Internal Audit, were vacant as at October 1991. One post was, however, encumbered prior to the end of the year. The distribution of these posts departs from the usual pyramidal shape to a rather top-heavy structure. In this connection, 10 of the posts are in the top echelon, with the remaining three in the middle level and none at the bottom level. Consequently, minor audits at relatively small locations were performed by senior-level staff members. It was learned that the present post structure evolved from the upgrading of the posts of regional auditors to a level which requires sufficient experience to work with minimum supervision

and also to bridge the gap between the regional auditors and the UNICEF regional directors whose work they are expected to review.

133. The Board saw the need for a review of the present staffing structure through an objective application of appropriate indicators of workload to staffing requirements, to ensure the efficient execution of the internal audit function at a reasonable cost. The Administration said the future structure of the Office of Internal Audit will depend on a decision of the Executive Board during its 1993 session.

134. A review of the Internal Audit work plan for 1991 revealed that, out of 62 audits planned for the year, 34 had been completed as at 28 October 1991, with 15 still in progress, bringing both completed and ongoing assignments to 49, or 79 per cent of the planned audits. This achievement represents only 18.8 per cent of the total 260 audits to be conducted worldwide under a three-year rolling plan. The low rate of performance emphasizes the fact that the present staff resources available for the execution of the internal audit function are not commensurate with the ever-increasing growth of UNICEF operations globally.

135. A significant number of offices, which have not been given coverage for periods ranging from almost five to eight years, were not included in the 1991 work plan. Three out of the 11 incumbent auditors were recruited in 1991 - two in March/April and the third in November. This situation prevented the achievement of the projected audit coverage as the work plan was made on the assumption that all the vacant posts would be filled before 1991.

136. The Board recommended the early filling of the remaining vacancies in order to strengthen the capacity of the Office of Internal Audit to be able adequately to discharge its audit function.

137. In accepting the recommendation, the Administration explained that the equitable geographical distribution of posts made the recruitment process very cumbersome, while the corporate policy in favour of the recruitment of women was difficult to implement, as only a small percentage of women candidates responded to repeated advertisements.

Reporting and follow-up

138. Internal auditing reporting standards require that the results of an audit should be documented in a formal report and presented on a timely basis to provide a constructive vehicle for change. Delays in the issuance of audit reports were noted in a few cases.

139. In one instance, delays of up to three years occurred in the submission of 10 reports by one auditor between 1988 and 1990, despite repeated reminders. Although the auditor's contract was not renewed upon the recommendation of the Director of the Office of Internal Audit, the auditor was subsequently given a lateral transfer to a field office as a UNICEF representative, plus a verbal reprimand for irresponsible performance! There was a remarkable decline in the delay in releasing audit reports in 1991 and this was attributed to closer supervision made possible by the location of the auditors at headquarters.

140. Examination of the annual report of the Office of Internal Audit on the status of implementation of its recommendations disclosed a catalogue of recurring internal control weakness already reported in internal audit reports, which implied that most of the identified weaknesses were not resolved. From the log of audit observations, we noted that 44 reminders were sent to the auditees owing to untimely response to a total of 102 separate audit observation summaries issued in 1991. In some cases, the comments of the auditees were never received.

141. The lapses reported in the internal audit reports generally pertain to non-adherence to established procedures, rather than the lack of effective procedures. Such a situation is quite serious because it would seem to suggest that UNICEF lacks the will and determination to enforce its own procedures. In this connection, the Board identifies itself with the internal audit recommendation that heads of offices should be held personally accountable for less-than-adequate performance of duties in their areas of authority.

142. The Board also observed that a number of measures have been taken by the Administration to enforce the implementation of internal audit recommendations. These include the establishment of an Internal Audit Committee with the mandate to oversee the implementation of audit recommendations. In addition, an agenda item (discussion and follow-up on audit matters of corporate concern) has been included on the agenda of the meetings of UNICEF representatives. The effectiveness of these measures will be assessed by the Board in its future audits.

Appropriate location for internal auditors

143. At the request of the UNICEF Executive Board, the Board of Auditors examined the relative merits and demerits of the disparate views expressed by members at the 1991 regular session of the Executive Board on the location of auditors either in the regional offices or at headquarters and to make appropriate recommendations.

144. The Board accordingly reviewed the policies and procedures that govern the operations of the outposted regional auditors to enable it to assess the quality of audits performed by them. UNICEF document EXD-2856 of 6 May 1983 outlines the objectives, functions, organization and working methods of the Office of Internal Audit in UNICEF. By this document, regional/resident auditors are required to maintain their audit work papers in the regional offices. Section 3.4 further states that "opportunity for professional consultations with, and guidance to, the outposted auditors and review of audit plans and work papers are provided through the auditors visit to headquarters and the Director's and/or Deputy Director's visit to the region".

145. We noted that professional consultation and review of working papers were provided on an irregular basis. Regional auditors had to work independently, without the opportunity to discuss specific audit problems or share experiences with their colleagues.

146. The Director of Internal Audit is responsible for providing appropriate audit supervision from the planning stage up to the conclusion of an audit assignment as required by the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, of which the staff of UNICEF Internal Audit are collectively members. By these standards, supervision includes approving the audit programme and ensuring that the approved programme is carried out, unless deviations are both justified and authorized. Supervision also involves reviewing audit working papers to determine if they adequately support the audit findings, conclusions and reports.

147. The Board noted that, based on a decision to ensure timely reporting and to reduce costs, the auditors in the field were permitted to issue their reports without the prior review by their supervisors. It was explained that a post review was carried out by the supervisors and the results communicated to the auditor to ensure improvement in his future performance. The Board is, however, sceptical of the merits in this sort of post facto review.

148. There was a consensus of opinion among previous regional auditors interviewed that, apart from the professional isolation they faced and the lack of supervision over their work, there was a partial loss of their independence and objectivity since they were invariably regarded as an integral part of the regional offices and had to participate in the regional management decision-making process. Additionally, they were very handicapped when preparing for an audit assignment as they had no access to vital reference materials and documents that could enhance the preparatory phase of the audit.

149. Moreover, the regional auditor's contacts with their supervisors, experienced colleagues, or even fellow regional auditors were irregular. The Board was also informed that, on the average, it costs $40,000 per family to rotate regional auditors at three-year intervals. In the opinion of the Office of Internal Audit, even if the operational cost of centrally located internal audit staff was not reduced by the savings on rotation cost, the quality of audits would be greatly improved.

150. The Administration said the other major constraints were that complex audit observations requiring further clarification at headquarters, in New York, sometimes involving several divisions, had to be addressed by regional officers without adequate access to detailed background material. Although this concern can be addressed by referring complex audit observations to headquarters for redress, such an approach will not permit timely action.

151. Within their experience as former regional auditors, the Director and Deputy Director are familiar with the managerial drawbacks of the decentralized approach. It was to address the professional concerns and frustrations expressed by the regional auditors that a decision was made to relocate the auditors at headquarters. The Administration said it has never intended to change the regional auditor concept because that concept has proved successful.

152. The Board would like to observe that the opportunities for professional consultations based on the visits of outposted auditors to headquarters and the visits of headquarters supervisory staff to the field offices, as

envisaged in section 5.4 of document EXD-2856, were not realized as noted in paragraph 145 above. Secondly, the level of supervision by the Director of Internal Audit as required by the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing was not possible in an arrangement where the internal auditors are scattered in field offices.

153. Decentralization may achieve desirable results if the Internal Audit Office were staffed with a reasonable number of auditors to permit the grouping together of some of them in different locations, in order to work together independently as units. However, the present staffing level, which allows only one auditor in a regional office, has:

(a) Given rise to professional isolation;

(b) Hindered adequate supervision of the audit function culminating in some reporting deficiencies;

(c) Appeared to compromise the independence of the auditor through fraternization and undue involvement in the policy-making process.

154. Until these deficiencies are resolved, it is the conclusion of the Board that the audit function will be more efficiently and effectively performed in a centralized environment.

Write-offs of cash, receivables and property

155. The Administration informed the Board that, after due consultation with UNICEF offices and when appropriate, with donors, income had been adjusted to reflect reduction of accounts. Governmental and non-governmental receivables totalling $7.5 million were written off for the biennium 1990-1991. Of this amount, $2.1 million was for general resources and $5.4 million was for supplementary funds. In addition, an amount of $562,441 of product inventory in Greeting Card Operation warehouses and $118,652 of accounts receivables were written off against Greeting Card Operation income in 1990-1991.

156. The Board was also informed that out of $539,353 written off as losses, $8,235 involved cash, while $531,118 pertained to the value of obsolete supplies in the UNICEF Supply Division warehouse.

Ex gratia payments

157. One ex gratia payment in the amount of $8,000 was made for medical expenses not covered by insurance in respect of a consultant.

Cases of fraud and presumptive fraud

158. The Board was informed of 12 cases of fraud and missing office equipment that came to light in the biennium 1990-1991. One out of nine cases of financial irregularities committed by UNICEF staff members did not result in a financial loss to the organization due to timely action. In seven cases, recoveries of funds misappropriated were made and the staff members were

either separated or dismissed. In one case, a small part of the amount embezzled through the use of wrong specifications in the execution of a contract was written off as a loss to UNICEF and investigation into another case involving a bank is ongoing. Increasing losses of office equipment through pilferage were reported at UNICEF headquarters. Remedial measures to protect property have been introduced.

Acknowledgement

159. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to the auditors by the Executive Director, his officers and members of their staff.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit
of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court
of Audit of Germany

ANNEX I

Follow-up on action taken to implement the recommendations of the Board of Auditors in its report for the period ended 31 December 1989 a/

I. RECOMMENDATION 6 (a)

1. The total charge of $8.3 million on the Emergency Reserve Fund for the biennium, which was distributed among general resources programme expenditures in the beneficiary countries to the Fund, should be adjusted and disclosed separately in statement VI (this recommendation has been implemented).

II. RECOMMENDATION 6 (b)

2. The policy of recognizing cash advances to Governments in the accounts of UNICEF as programme expenditures must be supported by sufficient evidence on the effective utilization of these advances for purposes intended. In this connection, the following must be considered:

(a) A more effective procedure for advancing and monitoring cash advances to Governments should be instituted to ensure adequate compliance with the policy on timely liquidation of these advances;

(b) The format of form 153 should be reviewed to take account of the ageing of advances and to include other relevant management information;

(c) In order to facilitate monitoring, field offices should submit expenditure returns on cash advances directly to the Accounts Section;

(d) Field offices should be directed to include the policy on cash advances in all memoranda of understanding with Governments. For example, as spelt out in Financial Circular No. 15, no further transfer of funds may be made if a certificate of utilization of prior financing is outstanding for more than six months.

A. Measures taken by the Administration

3. As indicated in the present report of the Board, a number of steps were taken to ensure appropriate monitoring and control of cash assistance to Governments. A more coordinated and systematic monitoring system over advances to Governments is now in place. Financial Circular No. 15 (Revision 1) and supplementary guidelines for field offices were issued on 28 June 1991 to clarify UNICEF policies and procedures on non-supply assistance. The responsibility of ensuring compliance with the Circular and Guidelines has been assigned as an important component of the functions of a senior staff member of the Accounts Section, Division of Financial Management.

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a/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5B (A/45/5/Add.2 and Corr.1), sect. II, para. 6.

4. As a result of the efforts of the Secretariat and the field offices, there have been substantial improvements in the status of cash assistance to Governments. The Board of Auditors in their last interim audit positively noted the $22,611,058 reduction in the cumulative balance of the advances from $84,497,532 as at 31 December 1990 to $61,886,475 in 30 June 1991.

5. The external auditors in their last interim audit, reiterated the need for the ageing of the advances to ascertain their status. The Administration is cognizant of this requirement in Financial Circular 15 (Revision 1) and will prepare the ageing of the outstanding advances starting from the 31 December 1991 reports which are only being received. The information will be provided to the Board of Auditors in their next audit.

B. Comments of the Board

6. The Board recognizes that a number of measures already taken by the Administration have succeeded in improving accountability for cash advances. However, the problem of outstanding advances is far from resolved. The Board's audit visits to field offices revealed that in many cases new advances continued to be released when expenditures on the utilization of prior advances had not been submitted. Additional measures to ensure further improvement in the monitoring and liquidation of cash advances have been discussed in the present report.

III. RECOMMENDATION 6 (c)

7. The Administration is urged to continue with its efforts of securing the review of UNICEF financial regulation 4.10 with a view to ensuring consistency in the recording of gains and losses on currency exchange (this recommendation has been implemented).

IV. RECOMMENDATION 6 (d)

8. The need to siphon excess liquidity into the provision of additional services should be considered.

A. Measures taken by the Administration

9. The medium-term financial plan is now designed to accelerate programme activities by the utilization of excess liquidity. At the same time, a working group of the Financial Advisory Committee has been established to review existing liquidity requirements and recommend possible change in the policy.

B. Comments of the Board

10. The Board noted improvement in this area. The liquidity ratio declined slightly and the surplus of income over expenditure reduced significantly as at 31 December 1991, although expenditures still lagged behind contributions.

V. RECOMMENDATION 6 (e)

11. In order to ensure accuracy and reliability of accounting data, the Administration should continue to explore the possibility of instituting effective action to improve the coding of accounts and to enhance the integrity of data at the field office level.

A. Measures taken by the Administration

12. The Administration continues to conduct training activities for field office personnel to ensure the submission of accounts in a correct and timely manner. In 1991, the group training activities were supported by field office visits, particularly to focus on discussions regarding programme accounts. Where possible, field offices were encouraged to send their staff to New York and meet with relevant personnel. The progress made in improving central accounting and financial systems has also contributed to strengthening data integrity and accuracy in the field offices. Dialogues and studies to improve the electronic data-processing systems for field office reporting of accounts to headquarters, in order further to enhance data integrity, continue to be undertaken.

B. Comments of the Board

13. The Board's review did not reveal any significant coding or accounting errors.

VI. RECOMMENDATION 6 (f)

14. Project planning should adequately articulate implementation requirements to enhance programme delivery. In addition, circumspection is advised in the reallocation of funds from slow-moving projects to fast-moving ones, so that the policy does not result in the unconscious neglect of projects located in "difficult" areas which have perennial implementation problems.

A. Measures taken by the Administration

15. UNICEF continues to enhance programme implementation in terms of overall programme delivery and in meeting the specific needs and priorities of the country programmes. A major improvement can be noted in the number of general resources country programmes with low implementation rate (below 75 per cent), that is, from 15 in 1989 to 13 in 1990 and to only 7 in 1991.

16. The number of countries with low implementation rate decreased from 48 in 1989 to 37 in 1990. However, this number increased again to 46 in 1991. The Administration is in the process of analysing the specific reasons for low implementation of each of these supplementary-funded country programmes. In the process, any generic issues involved will be identified. At the conclusion of the analysis, the Administration should be able to identify feasible solutions to sustain improved implementation of supplementary-funded country programmes.

B. Comments of the Board

17. The Board's analysis disclosed that the overall programme implementation level showed an increase between 1989 and 1990 but declined in 1991. This decline was attributable to the generally low performance level of supplementary-funded projects owing, in part, to a switch to the implementation of emergency programmes in 1991.

VII. RECOMMENDATION 6 (g)

18. The monitoring of project implementation needs further improvement so that over-expenditures that would otherwise be absorbed by general resources in the absence of supplementary funding could either be eliminated or kept to a minimum.

A. Measures taken by the Administration

19. The Administration adopted, as one of its principal priorities in 1991, the improved monitoring of programme implementation. Starting in 1991, special reports on call-forwards with over-expenditures were generated at regular cut-off periods. These reports were distributed to countries/offices concerned with the instruction that appropriate action be taken on such over-expenditures. Detailed analysis and reconciliation were also undertaken in 1991 to determine the reasons for the over-expenditures and field offices were advised to take the necessary and appropriate steps to avoid over-expenditures.

B. Comments of the Board

20. Measures taken have not succeeded in addressing the problem. Out of a deficit of $7.0 million incurred in the biennium 1990-1991 on supplementary-funded projects, $5.0 million was charged to general resources for lack of donor funding, while $2.0 million was being investigated. Further weaknesses noted by the Board have been discussed in the present report.

VIII. RECOMMENDATION 6 (h)

21. With the rate of expansion in the operational activities of UNICEF, which has exceeded its staff resources, it will be necessary for the Administration to take steps to assess staff needs, especially of the operational divisions, with a view to taking appropriate corrective action (this recommendation has been implemented).

IX. RECOMMENDATION 6 (i)

22. During the fund-raising activities, prospective donors should be encouraged to provide sufficient information on their contributions in order to facilitate their accounting, acknowledgement and effective utilization. In this connection, a standard advice form indicating the relevant information may be completed by donors.

A. Measures taken by the Administration

23. The Administration supports the recommendation. In the meantime, discussions have been held by the responsible divisions in the secretariat for the purpose of defining ways to improve communications with donors. This is intended to ensure that information received will support efficient cash management.

B. Comments of the Board

24. Sufficient information is still required on supplementary contributions.

X. RECOMMENDATION 6 (j)

25. Payment of bills should as far as possible be delayed until the last date in order to explore the possibility of obtaining maximum returns on monies that can be put into short-term investments (this recommendation has been implemented).

XI. RECOMMENDATION 6 (k)

26. The existing procedures for reporting staff indebtedness before the payment of the final cash advance on separation require adequate monitoring, so that all monies due from separating staff members can be fully and promptly recovered prior to separation.

A. Measures taken by the Administration

27. The Administration has taken steps to strengthen overall control over staff personal accounts. The integration of all staff-related accounts under one supervisor was implemented in 1991 to further streamline existing procedures and ensure adequate monitoring thereof.

28. A thorough review and evaluation of the needs of the staff personal accounts system was carried out in 1991. This focused on internal control and accountability, and on procedures that will assure prompt recovery on transactions of staff personal accounts. Systems development will be undertaken in 1992 for implementation in 1992-1993.

29. The Administration has, likewise, continued to exert efforts to review and ensure correctness of existing account balances. A special project to verify the prior year's balance will be concluded in 1992.

B. Comments of the Board

30. Measures to clean up the staff personal accounts are ongoing. Two working groups have been established - one for the clean-up of the staff personal accounts and the other to explore the possibility of automating the procedures for making these transactions.

XII. RECOMMENDATION 6 (l)

31. The need for the centralized control of "attractive" inventory items, such as computers and vehicles, should be considered. For this purpose, field offices should submit copies of their inventory as of 31 December each year to be reflected in the headquarters master inventory list (this recommendation has been implemented).

XIII. RECOMMENDATION 6 (m)

32. Action should be taken to ensure the conclusion of a formal and adequate custodial arrangement of UNICEF drugs and equipment in a field office.

A. Measures taken by the Administration

33. As was reported in 1991, a new country office was established to facilitate operations in that country and corrective measures were taken to ensure adequate custodial procedures. There has been no reported recurrence of the auditors' finding thereafter.

B. Comments of the Board

34. The recommendation should be considered implemented as no further reports of inadequate control of property in the field office have come to the notice of the Board.

XIV. RECOMMENDATIONS 6 (n) AND 6 (o)

35. UNICEF must strictly adhere to its policy of refraining from contracting construction projects with high commitments that might overburden its financial resources in the event that counterpart contributions are not forthcoming (this recommendation has been implemented).

36. The requesting units of the Greeting Card Operation should be required to allow adequate lead time in their requisitions in order to ensure that materials are procured under optimum delivery, price and quality conditions (this recommendation has been implemented).

ANNEX II

Liquidity position

GENERAL RESOURCES AND SUPPLEMENTARY FUNDS

Computation of increase in current assets and liabilities as at 31 December 1991

(United States dollars)

	1991	1989	Increase/ decrease
Assets			
Short-term			
Cash holdings	403 264 004	310 797 592	92 466 412
Contributions receivable for current and prior years	288 926 067	222 870 613	66 055 454
Accounts receivable advances and deposits	156 969 435	129 319 634	27 649 801
Inventories	40 505 223	34 252 556	6 252 667
Total	889 664 729	697 240 395	192 424 334
Long-term			
Contributions receivable for future years	86 703 398	53 154 261	33 549 136
Capital assets	8 072 308	4 329 001	3 743 307
Total, short-term and long-term assets	984 440 435	754 723 657	229 716 777

	1991	1989	Increase/ decrease
Liabilities and fund balance			
Long-term			
Special accounts: Procurement Services and other services	47 121 373	59 636 849	(12 515 476)
Fund balance	715 610 312	579 262 114	136 348 198
Total	762 731 685	638 898 963	123 832 722
Short-term			
Contributions for following years pledged and received in advance	143 819 947	59 357 193	84 462 754
Income received in advance for Greeting Card and related operations	466 149	11 997 618	(11 531 469)
Accounts payable and other unliquidated obligations	77 422 654	44 469 883	32 952 770
Total, short-term liabilities	221 708 750	115 824 694	105 884 055
Total, fund balance and short-term liabilities	984 440 435	754 723 657	229 716 777
Increase (decrease) in net current assets	762 731 685	638 898 963	123 832 722

Increase (decrease) in current assets	229 716 777
Less: increase in current liabilities	105 884 055
Increase (decrease) in net current assets	123 832 722

1. Increase/decrease in current assets and current liabilities is shown in annex II.

2. The table below shows the sources and application of funds during the biennium under review.

Sources of funds	General resources	Supplementary funds	Total
Contributions from Governments	794 439 778	381 982 247	1 172 422 025
Other contributions	44 854 015	186 667 970	231 521 985
Greeting Card and related operations	159 384 247	-	159 384 247
United Nations system	-	21 319 792	21 319 792
Other income	74 901 936	-	74 901 936
Translation adjustment	(36 784 163)	1 052 352	(35 731 811)
Increase in medical insurance plan	2 305 313	-	2 305 313
Increase in procurement services - staff-related costs	23 551	-	23 551
Increase in capital asset fund	22 184 341	-	22 184 341
Total	1 061 309 018	591 022 361	1 652 331 379
Application of funds			
Write-off of pledges and other items	2 678 423	5 356 242	8 034 664
Expenditures	947 538 612	538 134 904	1 485 673 517
Increase in interfund transfer	22 000 000	-	22 000 000
Decrease in revolving fund - special events	275 000	-	275 000
Decrease in liabilities - special account - procurement services	12 515 476	-	12 515 476
Total	985 007 511	543 491 146	1 528 498 657
Increase in working capital	76 301 507	47 531 215	123 832 722

III. AUDIT OPINION

We have examined the following appended financial statements numbered I to VIII, properly identified, and relevant schedules of the United Nations Children's Fund for the financial period ended 31 December 1991. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

As a result of our examination, we are of the opinion that the financial statements present fairly the financial position of the organization as at the end of the period and the results of its operations for the period then ended.

The financial statements were prepared in accordance with the stated accounting principles, which were applied on a basis consistent with that of the preceding financial period. The transactions were in accordance with the Financial Regulations and legislative authority.

(Signed) Osei Tutu PREMPEH
Auditor-General of Ghana

(Signed) Eufemio C. DOMINGO
Chairman, Commission on Audit
of the Philippines

(Signed) Heinz Günter ZAVELBERG
President of the Federal Court
of Audit of Germany

IV. FINANCIAL STATEMENTS FOR THE BIENNIUM ENDED 31 DECEMBER 1991

STATEMENT I

Statement of income and expenditures for the biennium ended 31 December 1991

(United States dollars)

		1990-1991			1988-1989		
		General resources	Supplementary funds	Total	General resources	Supplementary funds	Total
INCOME							
Contributions from Governments	(schedule 1)	794,439,778.20	381,982,247.11	1,176,422,025.31	629,840,400.97	366,218,093.75	996,058,494.72
Contributions from non-governmental sources	(schedule 1)	44,854,015.24	186,667,969.83	231,521,985.07	47,183,320.00	139,926,718.80	187,110,038.80
Greeting Card and related operations		159,384,247.09		159,384,247.09	86,236,202.88		86,236,202.88
Net income from operations			21,319,792.31	21,319,792.31	43,498,995.14		43,498,995.14
Income adjustment due to change in accounting method		74,901,935.74		74,901,935.74	72,185,870.51	16,519,011.21	16,519,011.21
United Nations system	(schedule 1)	(36,784,162.99)	1,052,352.08	(35,731,810.91)	(18,265,194.40)	(4,763,935.63)	72,185,870.51
Other income	(schedule 2)						(23,029,130.03)
Translation adjustment							
TOTAL INCOME		1,036,795,813.28	591,022,361.33	1,627,818,174.61	860,679,595.10	517,899,888.13	1,378,579,483.23
EXPENDITURES							
For programme cooperation from:							
General resources		637,286,799.19		637,286,799.19	458,714,499.92		458,714,499.92
Programme support services		167,140,027.43		167,140,027.43	134,755,290.12		134,755,290.12
Supplementary funds other than United Nations system	(statement VII)		518,389,114.81	518,389,114.81		427,779,554.52	427,779,554.52
United Nations system			19,745,789.33	19,745,789.33		14,147,931.61	14,147,931.61
Total programme cooperation		804,426,826.62	538,134,904.14	1,342,561,730.76	593,469,790.04	441,927,486.13	1,035,397,276.17
Administrative services	(statement VII)	143,111,785.86		143,111,785.86	108,548,295.17		108,548,295.17
TOTAL EXPENDITURES		947,538,612.48	538,134,904.14	1,485,673,516.62	702,018,085.21	441,927,486.13	1,143,945,571.34
EXCESS OF INCOME OVER EXPENDITURES BEFORE WRITE-OFF		89,257,200.80	52,887,457.19	142,144,657.99	158,661,509.89	75,972,402.00	234,633,911.89
Write-off of pledges and other items	(note 4)	2,678,422.84	5,356,241.69	8,034,664.53	532,649.31	4,778,770.29	5,311,419.60
EXCESS OF INCOME OVER EXPENDITURES AFTER WRITE-OFF		86,578,777.96	47,531,215.50	134,109,993.46	158,128,860.58	71,193,631.71	229,322,492.29

Statements II to VIII and notes 1 to 16 form an integral part of this statement and should be read in conjunction with it.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT IA

Statement of income and expenditures for the biennium ended 31 December 1991

(United States dollars)

	1991			1990		
	General resources	Supplementary funds	Total	General resources	Supplementary funds	Total
INCOME						
Contributions from Governments	396,870,479.35	182,201,017.38	579,071,496.73	397,569,298.85	199,781,229.73	597,350,528.58
Contributions from non-governmental sources	18,270,270.36	114,614,319.26	132,884,589.62	26,583,744.88	72,053,650.57	98,637,395.45
Greeting Card and related operations	69,640,718.95		69,640,718.95	89,743,528.14		89,743,528.14
United Nations system		11,359,348.18	11,359,348.18		9,960,444.13	9,960,444.13
Other income	35,244,520.68		35,244,520.68	39,661,415.06		39,661,415.06
Translation adjustment	(14,283,880.62)	(7,202,824.88)	(21,486,705.50)	(22,500,282.37)	8,255,176.96	(14,245,105.41)
TOTAL INCOME	505,742,108.72	300,971,859.94	806,713,968.66	531,057,704.56	290,050,501.39	821,108,205.95
EXPENDITURES						
For programme cooperation from:						
General resources	317,843,567.62		317,843,567.62	319,443,231.57		319,443,231.57
Programme support services	86,237,829.44		86,237,829.44	80,902,197.99		80,902,197.99
Supplementary funds other than United Nations system		260,146,233.09	260,146,233.09		258,242,881.72	258,242,881.72
United Nations system		13,101,457.48	13,101,457.48		6,644,331.85	6,644,331.85
Total programme cooperation	404,081,397.06	273,247,690.57	677,329,087.63	400,345,429.56	264,887,213.57	665,232,643.13
Administrative services	74,459,581.61		74,459,581.61	68,652,204.25		68,652,204.25
TOTAL EXPENDITURES	478,540,978.67	273,247,690.57	751,788,669.24	468,997,633.81	264,887,213.57	733,884,847.38
EXCESS OF INCOME OVER EXPENDITURES BEFORE WRITE-OFF	27,201,130.05	27,724,169.37	54,925,299.42	62,060,070.75	25,163,287.82	87,223,358.57
Write-off of pledges and other items	1,401,310.02	1,723,579.14	3,124,889.16	1,281,112.82	3,632,662.55	4,913,775.37
EXCESS OF INCOME OVER EXPENDITURES AFTER WRITE-OFF	25,799,820.03	26,000,590.23	51,800,410.26	60,778,957.93	21,530,625.27	82,309,583.20

STATEMENT II

Statement of assets, liabilities and fund balances as at 31 December 1991

(United States dollars)

		1991	1989
ASSETS			
Cash holdings	(schedule 3)	403,264,004.25	310,797,592.19
Contributions receivable:			
For current and prior years	(schedule 4)	288,926,066.96	222,870,613.22
For future years	(schedule 8)	86,703,397.68	53,154,261.35
Accounts receivable, advances and deposits	(schedule 6)	156,969,435.24	129,319,634.13
Inventories	(schedule 7)	40,505,223.02	34,252,555.71
Capital assets	(note 16)	8,072,308.13	4,329,001.02
TOTAL ASSETS		984,440,435.28	754,723,657.62
LIABILITIES			
Contributions for following years pledged and received in advance	(schedule 8)	143,819,947.26	59,357,193.39
Income received in advance for Greeting Card and related operations		466,148.96	11,997,617.73
Accounts payable and other unliquidated obligations	(schedule 9)	77,422,653.58	44,469,883.52
Special accounts:			
Procurement services and other services	(schedule 10)	47,121,373.66	59,636,849.34
TOTAL LIABILITIES		268,830,123.46	175,461,543.98
FUND BALANCE	(statement III)	715,610,311.82	579,262,113.64
TOTAL LIABILITIES AND FUND BALANCE		984,440,435.28	754,723,657.62

Statements III to VIII and notes 1 to 16 form an integral part of this statement and should be read in conjunction with it.

(Signed) Kano YAMAMOTO
Comptroller

(Signed) James P. GRANT
Executive Director

STATEMENT III

Statement of fund balances for the biennium ended 31 December 1991

(United States dollars)

		General resources and other funds	Supplementary funds	Total
FUND BALANCES, 1 JANUARY 1990		265,273,989.63	313,988,124.01	579,262,113.64
Increase in medical insurance plan		2,305,312.62		2,305,312.62
Increase in procurement services - staff and related cost		23,551.42		23,551.42
Increase in capital asset fund		22,184,340.68		22,184,340.68
Interfund transfer		(22,000,000.00)		(22,000,000.00)
Decrease in revolving fund - special events		(275,000.00)		(275,000.00)
Excess of income over expenditures for the biennium ended 31 December 1991	(statement 1)	86,578,777.96	47,531,215.50	134,109,993.46
FUND BALANCES, 31 DECEMBER 1991		354,090,972.31	361,519,339.51	715,610,311.82

COMPOSITION OF FUND BALANCES, 31 DECEMBER		1991	1989
General resources		322,011,719.94	257,432,941.98
Supplementary funds		361,519,339.51 a/	313,988,124.01 b/
Fund for procurement services - staff and related cost	(schedule 11)	854,847.79	831,296.37
Revolving fund - special events			275,000.00
Fund for insurance		300,000.00	300,000.00
Fund for medical insurance plan		4,448,265.76	2,142,953.14
Capital asset fund		26,476,138.82	4,291,798.14
TOTAL FUND BALANCE		715,610,311.82	579,262,113.64

a/ This amount is net of the 1991 over-expenditures of $2,020,699.85 reported in E/ICEF/1992/AB/L.11.

b/ This amount is net of the 1989 over-expenditures of $4,835,863.20 reported in E/ICEF/1990/AB/L.10.

STATEMENT IV

Statement of cash flows for the biennium ended 31 December 1991

(United States dollars)

		1990-1991	1988-1989
INCREASE (DECREASE) IN CASH FROM:			
Excess of income over expenditures after write-off	(statement I)	134,109,993.46	229,322,492.29
Adjustments to reconcile net income to net cash provided by operating activities:			
Capital asset fund		22,184,340.68	
Interfund transfer		(22,000,000.00)	
Fund for medical insurance plan		2,305,312.62	2,142,953.14
Fund for insurance			50,000.00
Fund for procurement services - staff and related cost		23,551.42	131,296.37
Revolving fund - special events		(275,000.00)	
Total adjustments		2,238,204.72	2,324,249.51
Contributions receivable for current and prior years		(66,055,453.74)	(53,687,621.16)
Contributions receivable for future year		(33,549,136.33)	82,365,223.89
Accounts receivable, advances and deposits		(27,649,801.11)	(88,710,117.88)
Inventories		(6,252,667.31)	9,607,385.03
Capital assets		(3,743,307.11)	2,455,559.59
Contributions for following years pledged and received in advance		84,462,753.87	(93,125,094.28)
Income received in advance for Greeting Card and related operations		(11,531,468.77)	(1,045,139.41)
Prepaid expenditures for Greeting Card and related operations			15,267,880.76
Accounts payable and other unliquidated obligations		32,952,770.06	6,713,143.64
Special accounts		(12,515,475.68)	7,597,115.06
Total changes in assets and liabilities		(43,881,786.12)	(112,561,664.76)
Net funds from (used in) operations		92,466,412.06	119,085,077.04
Cash and cash equivalents at beginning of biennium		310,797,592.19	191,712,515.15
Cash and cash equivalents at end of biennium		403,264,004.25	310,797,592.19

STATEMENT V

Status of funding for approved general resources and supplementary funds

As at 31 December 1991

(United States dollars)

	General resources	Supplementary funds: Governments and others	Supplementary funds: United Nations system	Total
Unspent balances of programmes as at 1 January 1990	852,123,932.47	369,201,334.33	8,592,349.99	1,229,917,616.79
Approved at the Executive Board sessions a/				
New programmes	1,190,988,460.00			1,190,988,460.00
Savings and deficits	(242,937.60)			(242,937.60)
Made between Executive Board sessions	82,253,652.43	575,381,926.94	24,670,748.13	682,306,327.50
Adjustments to programmes	25,619,019.71	10,656,043.65	(50.52)	36,275,012.84
Savings of 1990-1991 budget	(6,891,580.16)			(6,891,580.16)
Recovery from packing and assembly activities	(10,029,206.55)			(10,029,206.55)
	2,133,821,340.30	955,239,304.92	33,263,047.60	3,122,323,692.82
Expenditures	947,538,612.48	518,389,114.81	19,745,789.33	1,485,673,516.62
Unspent balances of programmes as at 31 December 1991	1,186,282,727.82	436,850,190.11	13,517,258.27	1,636,650,176.20
Fund balance as at 31 December 1991	322,011,719.94	354,113,578.18	7,405,761.33	683,531,059.45
Translation adjustment, 1987-1991		1,840,711.19		1,840,711.19
Subtotal	322,011,719.94	355,954,289.37	7,405,761.33	685,371,770.64
To be financed from future income	864,271,007.88	80,895,900.74	6,111,496.94	951,278,405.56

a/ E/ICEF/1990/P/L.1, E/ICEF/1990/P/L.36, E/ICEF/1990/P/L.38, E/ICEF/1989/P/L.41, E/ICEF/1989/12, E/ICEF/1991/AB/L.12, E/ICEF/1991/P/L.2, E/ICEF/1991/P/L.39, E/ICEF/1991/P/L.40, E/ICEF/1992/P/L.44 and E/ICEF/1991/15.

STATEMENT VI

Programme co-operation: Statement of approved programmes, expenditures and unspent balances
For general resources, supplementary funds and the United Nations system
For the biennium ended 31 December 1991

(United States dollars)

Area and country assistance	Approved programmes unspent balances at 1 January 1990	New programmes	Total programmes	Total expenditures	Approved programmes unspent balances as at 31 December 1991
AFRICA					
Angola	9,026,280.55	24,760,795.37	33,787,075.92	18,625,832.93	15,161,242.99
Benin	5,338,411.03	3,870,681.06	9,209,092.09	4,790,826.19	4,418,265.90
Botswana	595,470.30	2,454,217.97	3,049,688.27	1,631,264.88	1,418,423.39
Burkina Faso	5,385,959.87	6,356,866.05	11,742,825.92	8,666,185.67	3,076,640.25
Burundi	5,903,394.34	1,900,524.10	7,803,918.44	6,034,204.50	1,769,713.94
Cameroon	2,482,221.43	4,740,030.91	7,222,252.34	3,107,287.46	4,114,964.88
Cape Verde	676,862.51	3,568,175.95	4,245,038.46	1,668,833.43	2,576,205.03
Central African Republic	3,840,707.52	3,027,580.47	6,868,287.99	5,627,867.18	1,240,420.81
Chad	5,003,938.84	8,699,473.30	13,703,412.14	7,933,246.16	5,770,165.98
Comoros	300,958.19	1,510,267.24	1,811,225.43	1,342,854.57	468,370.86
Congo	931,606.94	2,718,245.65	3,649,852.59	2,566,911.00	1,082,941.59
Côte d'Ivoire	2,049,401.27	2,649,456.05	4,698,857.32	4,233,685.15	465,172.17
Equatorial Guinea	433,121.47	2,880,000.00	3,313,121.47	1,619,679.77	1,693,441.70
Ethiopia	36,627,075.69	18,966,087.34	55,593,163.03	40,061,379.73	15,531,783.30
Gambia	1,019,708.72	669,394.31	1,689,103.03	1,473,801.27	215,301.76
Ghana	3,307,692.60	13,545,741.57	16,853,434.17	4,926,243.11	11,927,191.06
Guinea	4,365,968.17	11,529,693.54	15,895,661.71	7,821,586.92	8,074,074.79
Guinea-Bissau	1,489,725.17	3,660,958.40	5,150,683.57	3,400,169.62	1,750,513.95
Kenya	12,691,538.82	8,194,180.06	20,885,718.88	13,394,703.70	7,491,015.18
Lesotho	2,083,307.11	777,650.17	2,860,957.28	2,685,728.62	175,228.66
Liberia	1,255,623.89	12,810,642.73	14,066,266.62	4,701,353.13	9,364,913.49
Madagascar	2,536,328.83	15,134,574.70	17,670,903.53	7,835,996.12	9,834,907.41
Malawi	5,876,469.92	4,345,197.67	10,221,667.59	8,218,095.44	2,003,572.15
Mali	12,246,476.51	6,132,798.80	18,379,275.31	12,328,611.52	6,050,663.79
Mauritania	2,440,871.31	2,157,112.03	4,597,983.34	3,654,632.21	943,351.13
Mauritius	200,150.76	1,315,921.57	1,516,072.33	737,485.47	778,586.86
Mozambique	24,183,610.39	45,120,417.06	69,304,027.45	32,059,408.16	37,244,619.29
Namibia	2,481,636.95	6,939,480.11	9,421,117.06	6,332,657.31	3,088,459.75
Niger	8,719,136.50	2,325,127.38	11,044,263.88	5,459,593.24	5,584,670.64
Nigeria	26,886,627.06	71,721,013.29	98,607,640.35	39,095,628.29	59,512,012.06
Rwanda	5,232,712.24	4,173,660.69	9,406,372.93	6,627,453.56	2,778,919.37
Sao Tome and Principe	742,974.12	2,302,566.07	3,045,540.19	658,766.95	2,386,773.24
Senegal	3,339,303.67	7,966,887.54	11,306,191.21	8,079,406.36	3,226,784.85
Sierra Leone	2,143,218.84	11,956,790.94	14,100,009.78	6,644,825.61	7,455,184.17
Somalia	6,316,076.79	9,715,127.05	16,031,203.84	8,542,613.12	7,488,590.72
Swaziland	1,597,544.73	2,494,251.41	4,091,796.14	1,749,618.20	2,342,177.94
Togo	5,165,676.54	2,187,000.00	7,352,676.54	2,985,050.06	4,367,626.48
Uganda	10,530,860.61	60,149,108.67	70,679,969.28	26,699,839.98	43,980,129.30
United Republic of Tanzania	28,685,329.85	20,050,081.56	48,735,411.41	30,753,781.33	17,981,630.08
Zaire	2,034,746.01	21,345,000.00	23,379,746.01	13,785,148.89	9,594,597.12
Zambia	3,184,154.70	10,175,620.71	13,359,775.41	5,564,708.13	7,795,067.28
Zimbabwe	4,593,640.96	6,256,246.05	10,849,887.01	4,398,688.74	6,451,198.27

STATEMENT VI (continued)

Area and country assistance	Approved programmes unspent balances at 1 January 1990	New programmes	Total programmes	Total expenditures	Approved programmes unspent balances as at 31 December 1991
Regional	14,090,423.83	15,734,873.11	29,825,296.94	11,692,198.61	18,133,098.33
Area total	278,036,945.55	468,989,518.65	747,026,464.20	390,217,852.29	356,808,611.91
EAST ASIA AND THE PACIFIC					
Cambodia	8,620,070.14	15,471,817.98	24,091,888.12	12,659,220.58	11,432,667.54
China	62,814,557.94	8,826,481.86	71,641,039.80	30,719,768.36	40,921,271.44
Democratic People's Republic of Korea	1,085,880.42		1,085,880.42	672,544.94	413,335.48
Indonesia	15,806,281.30	58,473,289.57	74,279,570.87	21,252,483.20	53,027,087.67
Lao People's Democratic Republic	4,049,726.78	3,217,952.94	7,267,679.72	4,286,935.14	2,980,744.58
Malaysia	1,101,920.32		1,101,920.32	844,436.50	257,483.82
Mongolia	120,527.31	2,430,000.00	2,550,527.31	461,266.46	2,089,260.85
Myanmar	9,136,959.12	26,616,280.63	35,753,239.75	14,312,958.03	21,440,281.72
Pacific Island countries	2,958,361.36	227,294.76	3,185,656.12	2,677,007.64	508,648.48
Papua New Guinea	971,264.62	1,574,850.84	2,546,115.46	1,780,971.70	765,143.76
Philippines	11,181,743.32	22,038,848.31	33,220,591.63	16,673,726.75	16,546,864.88
Republic of Korea	11,072.19	1,529,952.34	1,541,024.53	871,957.82	669,066.71
Thailand	10,453,070.36	4,105,061.67	14,558,132.03	7,666,922.25	6,891,209.78
Viet Nam	14,997,485.28	41,015,466.38	56,012,951.66	19,825,987.85	36,186,963.81
Regional	5,264,748.33	19,062,082.16	24,326,830.49	18,263,025.63	6,063,804.86
Area total	148,573,668.79	204,589,379.44	353,163,048.23	152,969,212.85	200,193,835.38
SOUTH ASIA					
Afghanistan	(332,277.51)	345,916.16	13,638.65	13,638.65	
Bangladesh	86,898,634.67	36,953,039.52	123,851,674.19	65,752,056.70	58,099,617.49
Bhutan	7,376,958.17	711,140.91	8,088,099.08	5,708,622.05	2,379,477.03
India	86,871,928.23	248,009,671.98	334,881,600.21	119,996,085.80	214,885,514.41
Maldives	646,208.88	2,185,572.47	2,831,781.35	1,290,941.21	1,540,840.14
Nepal	19,057,489.86	6,499,261.61	25,556,751.47	15,303,756.81	10,252,994.66
Pakistan	36,441,893.72	10,920,826.56	47,362,720.28	28,905,272.83	18,457,447.45
Sri Lanka	7,659,644.76	9,482,570.28	17,142,215.04	9,564,327.91	7,577,887.13
Area total	244,620,480.78	315,107,999.49	559,728,480.27	246,534,701.96	313,193,778.31

STATEMENT VI (continued)

Area and country assistance	Approved programmes unspent balances at 1 January 1990	New programmes	Total programmes	Total expenditures	Approved programmes unspent balances as at 31 December 1991
MIDDLE EAST AND NORTH AFRICA					
Algeria	184,502.98	4,027,000.00	4,211,502.98	878,602.35	3,332,900.63
Bahrain	50,673.56		50,673.56	50,673.56	
Djibouti	1,558,805.13	1,993,337.61	3,552,142.74	2,282,021.27	1,270,121.47
Egypt	19,983,588.49	851,053.52	20,834,642.01	8,061,120.53	12,773,521.48
Iran (Islamic Republic of)	1,250,054.15	10,488,553.36	11,738,607.51	7,971,067.28	3,767,540.23
Iraq	1,882,797.97	38,524,778.96	40,407,576.93	25,099,285.72	15,308,291.21
Jordan	62,272.77	10,551,399.81	10,613,672.58	7,040,632.67	3,573,039.91
Kuwait		99,221.00	99,221.00	19,884.33	79,336.67
Lebanon	2,972,031.22	5,144,105.20	8,116,136.42	6,821,122.66	1,295,013.76
Lebanon rehabilitation	425,976.25	(425,917.75)	58.50	58.50	
Morocco	2,718,846.27	2,960,597.45	5,679,443.72	5,171,843.78	507,599.94
Oman	263,935.89	4,151,053.24	4,414,989.13	993,656.59	3,421,332.54
Palestinian children and mothers	972,314.86	3,436,388.21	4,408,703.07	3,221,093.46	1,187,609.61
Saudi Arabia	72,552.28	(53,145.52)	19,406.76	19,406.76	
Sudan	19,095,249.52	78,180,418.51	97,275,668.03	51,501,590.74	45,774,077.29
Syrian Arab Republic	638,893.37	3,169,869.92	3,808,763.29	1,843,075.20	1,965,688.09
Tunisia	549,338.00	4,759,930.13	5,309,268.13	1,311,325.23	3,997,942.90
Turkey	1,186,779.21	16,611,555.81	17,798,335.02	5,306,900.68	12,491,434.34
Yemen	8,407,798.16	5,679,344.96	14,087,143.12	6,892,843.93	7,194,299.19
Regional	128,985.71	53,145.52	182,131.23	132,593.59	49,537.64
Area total	62,405,395.79	190,202,689.94	252,608,085.73	134,618,798.83	117,989,286.90
EUROPE					
Albania		908,915.38	908,915.38	281,914.94	627,000.44
Bulgaria		50,000.00	50,000.00	2,048.40	47,951.60
Romania		4,185,699.87	4,185,699.87	2,690,034.64	1,495,665.23
Union of Soviet Socialist Republics a/		336,570.43	336,570.43	293,097.33	43,473.10
Yugoslavia		1,337,985.44	1,337,985.44		1,337,985.44
Area total		6,819,171.12	6,819,171.12	3,267,095.31	3,552,075.81
THE AMERICAS AND THE CARIBBEAN					
Argentina	1,000,299.72	4,598,822.29	5,599,122.01	2,237,212.12	3,361,909.89
Belize	97,495.94	218,347.65	315,843.59	192,384.10	123,459.49
Bolivia	5,944,889.12	8,560,156.79	14,505,045.91	9,108,603.40	5,396,442.51
Brazil	4,899,286.07	14,327,953.77	19,227,239.84	10,137,285.34	9,089,954.50
Chile	410,306.04	3,949,400.00	4,359,706.04	1,312,452.99	3,047,253.05

STATEMENT VI (continued)

Area and country assistance	Approved programmes unspent balances at 1 January 1990	New programmes	Total programmes	Total expenditures	Approved programmes unspent balances as at 31 December 1991
Colombia	5,331,908.93	2,090,906.66	7,422,815.59	5,073,795.27	2,349,020.32
Costa Rica	334,060.12	8,439.92	342,500.04	330,266.88	12,233.16
Cuba		700,000.00	700,000.00	686,263.48	13,736.52
Dominica	7,589.75		7,589.75		7,589.75
Dominican Republic	1,020,661.07	995,257.06	2,015,918.13	1,899,293.74	116,624.39
Ecuador	295,754.64	5,443,364.65	5,739,119.29	4,108,453.57	1,630,665.72
El Salvador	2,169,033.32	1,730,977.04	3,900,010.36	3,356,303.23	543,707.13
Guatemala	1,877,627.60	3,315,111.53	5,192,739.13	4,393,479.67	799,259.46
Guyana	388,143.71	1,480,000.00	1,868,143.71	1,047,876.64	820,267.07
Haiti	2,480,318.91	9,443,021.51	11,923,340.42	4,753,071.39	7,170,269.03
Honduras	1,640,827.62	4,525,199.15	6,166,026.77	3,196,079.45	2,969,947.32
Jamaica	769,111.02	2,302,134.03	3,071,245.05	1,768,955.54	1,302,289.51
Mexico	2,074,426.61	11,468,829.44	13,543,256.05	7,465,097.35	6,078,158.70
Nicaragua	3,192,909.27	4,503,258.38	7,696,167.65	6,208,916.05	1,487,251.60
Panama	16,529.17	(15,155.76)	1,373.41	1,373.41	
Paraguay	1,363,532.53	852,088.04	2,215,620.57	1,594,571.14	621,049.43
Peru	5,706,622.03	4,787,779.01	10,494,401.04	9,256,538.27	1,237,862.77
Saint Lucia	10,244.14		10,244.14		10,244.14
Uruguay	269,936.45		269,936.45	208,890.59	61,045.86
Venezuela		3,750,000.00	3,750,000.00	727,153.90	3,022,846.10
Regional	22,305,993.88	44,422,406.35	66,728,400.23	25,345,927.12	41,382,473.11
Area total	63,607,507.66	133,458,297.51	197,065,805.17	104,410,244.64	92,655,560.53
GLOBAL ASSISTANCE					
Food and nutrition surveillance	4,688,346.91	850,803.81	5,539,150.72	2,451,920.81	3,087,229.91
Regional women's projects	139,232.93		139,232.93	69,930.95	69,301.98
Project preparation and training	31,544,695.06	33,069,808.50	64,614,503.56	33,676,601.05	30,937,902.51
Emergency Reserve Fund b/	1,301,847.00	10,698,732.88	12,000,579.88	8,346,804.20	3,653,775.68
Syrian Emergency Operation		18,475,000.00	18,475,000.00		18,475,000.00
Training of communicators for child survival and development	748,544.74	(166,132.54)	582,412.20	(44,219.98)	626,632.18
Parliamentarians and the media	92,653.45		92,653.45		92,653.45
International Child Development Centre	6,053,509.00	8,875,550.36	14,929,059.36	7,832,696.43	7,096,362.93

STATEMENT VI (concluded)

Area and country assistance	Approved programmes unspent balances at 1 January 1990	New programmes	Total programmes	Total expenditures	Approved programmes unspent balances as at 31 December 1991
Global communication		2,030,000.00	2,030,000.00	286,032.09	1,743,967.91
Child survival and development	66,528,789.12	102,235,883.55	168,764,672.67	81,963,590.04	86,801,082.63
WHO/UNICEF joint nutrition	13,168,791.18	(1,992,378.67)	11,176,412.51	7,051,474.41	4,124,938.10
Essential drugs for primary health care in Africa	6,412,693.83	(49,853.30)	6,362,840.53	1,768,967.45	4,593,873.08
Total global assistance	130,679,103.22	174,027,414.59	304,706,517.81	143,403,797.45	161,302,720.36
TOTAL PROGRAMME ASSISTANCE	927,923,101.79	1,493,194,470.74	2,421,117,572.53	1,175,421,703.33	1,245,695,869.20
Programme support services	163,681,027.00	217,175,400.93	380,856,427.93	177,169,233.98	203,687,193.95
Administrative services	138,313,488.00	192,065,410.91	330,378,898.91	143,111,785.86	187,267,113.05
Recovery from packing and assembly activities		(10,029,206.55)	(10,029,206.55)	(10,029,206.55)	
TOTAL BUDGET	301,994,515.00	399,211,605.29	701,206,120.29	310,251,813.29	390,954,307.00
TOTAL ASSISTANCE	1,229,917,616.79	1,892,406,076.03	3,122,323,692.82	1,485,673,516.62	1,636,650,176.20

a/ In a letter dated 24 December 1991, the President of the Russian Federation informed the Secretary-General that the membership of the Union of Soviet Socialist Republics in all United Nations organs was being continued by the Russian Federation with the support of the 11 member countries of the Commonwealth of Independent States.

b/ In 1990, the Executive Director made a total allocation of $4,000,000 from the Emergency Reserve Fund as follows: $265,000 to the African emergency; $100,000 to Djibouti; $3,734 to the Islamic Republic of Iran; $1,679,266 to the Sudan; $50,000 to Namibia; $80,000 to the Côte d'Ivoire; $100,000 to Guinea; $580,000 to Liberia; $70,000 for the West Bank/Gaza; $40,000 to the United Republic of Tanzania; $100,000 to Madagascar; $80,000 to Sierra Leone; $692,000 to Angola and $160,000 to Yemen.

In 1991, the Executive Director made a total allocation of $6,132,412 from the Emergency Reserve Fund as follows: $573,100 to the African emergency; $693,000 to Afghanistan; $265,000 to Angola; $54,444 to Albania; $865,332 to Bangladesh; $50,000 to Bolivia; $92,000 to Cameroon; $250,000 to Chad; $50,000 to Costa Rica; $35,218 to Equador; $50,779 for the situation between Kuwait and Iraq (Kuwait); $200,000 to Haiti; $339,130 to the Islamic Republic of Iran; $93,500 to Kenya; $111,000 to Malawi; $175,000 to Mauritania; $25,000 to Mauritius $50,000 to Mozambique; $75,000 to Myanmar; $25,000 to Panama; $438,000 to Peru; $100,000 to the Phillippines; $251,000 to Sierra Leone; $685,000 to Somalia; $200,000 to Viet Nam; $100,000 for the West Bank/Gaza; $35,909 to Yemen and $250,000 to Yugoslavia.

STATEMENT VII

Status of approved budget estimates for the biennium ended 31 December 1991

(United States dollars)

	Approved budget estimates	Obligations incurred a/		Unencumbered amounts
		Programme support services	Administrative services	
Budget expenditures				
Category 1 - Staff costs				
International staff costs	102,286,351.00	53,365,777.49	45,095,066.59	3,825,506.92
Local staff costs	91,009,169.00	47,551,400.78	40,181,811.00	3,275,957.22
Category 2 - General operating costs				
General operating costs (headquarters)	64,201,142.00	34,169,891.61	28,874,188.86	1,157,061.53
General operating costs (field)	57,359,216.00	32,276,598.82	27,274,321.53	(2,191,704.35)
Capital expenditures (headquarters)	2,196,223.00	1,378,810.68	1,165,120.46	(347,708.14)
Capital expenditures (field)	1,186,250.00	616,882.89	521,277.42	48,089.69
Category 3 - Packing and assembly costs	8,934,249.00	7,809,871.71		1,124,377.29
Total all categories	327,172,600.00	177,169,233.98	143,111,785.86	6,891,580.16
Less:				
Recovery/income from packing/assembly activities b/	16,000,000.00	16,341,749.47		(341,749.47)
All other income	7,150,000.00	8,274,930.06	1,732,222.53	(2,857,152.59)
Contributions from assisted Governments towards local budget costs	1,850,000.00	714,943.81	639,116.44	495,939.75
Subtotal	25,000,000.00	25,331,623.34	2,371,338.97	(2,702,962.31)
Total	302,172,600.00	151,837,610.64	140,740,446.89	9,594,542.47

a/ Obligations were incurred as follows:

	1991	1990	Total
Programme support services	92,221,667.88	84,947,566.10	177,169,233.98
Administrative services (statement I)	74,459,581.61	68,652,204.25	143,111,785.86
Total	166,681,249.49	153,599,770.35	320,281,019.84

b/ Programme support services	92,221,667.88	84,947,566.10	177,169,233.98
Less: Recovery from packing and assembly activities	5,983,838.44	4,045,368.11	10,029,206.55
Net programme support services (statement I)	86,237,829.44	80,902,197.99	167,140,027.43

STATEMENT VIII

CAPITAL ASSETS FUND

Statement of assets, liabilities and fund balance as at 31 December 1991

(United States dollars)

	1991	1989
ASSETS		
Cash holdings	19,627,969.54	
Office buildings		
Dar es Salaam	542,774.26	181,038.70
Harare	394,847.05	394,847.05
New Delhi	1,812,847.63	1,812,847.63
Niamey	247,397.31	247,397.31
Port-au-Prince	186,036.90	186,036.90
Sana'a	268,276.56	268,276.56
Santiago	32,142.85	32,142.85
Accra	351,537.05	
Bogota	1,658,465.98	
Bamako	44,337.95	
Subtotal	5,538,663.54	3,122,587.00
UNICEF housing		
Lagos	65,205.61	65,205.61
Harare	212,106.46	212,106.46
Kampala	250,000.00	250,000.00
Jakarta		226,407.23
Brasilia	146,476.57	146,476.57
Juba	21,617.96	21,617.96
Windhoek	374,099.14	247,397.31
Bujumbura	240,000.00	
Subtotal	1,309,505.74	1,169,211.14
TOTAL ASSETS	26,476,138.82	4,291,798.14
LIABILITIES		
FUND BALANCE		
From regular budget appropriations:		
Prior periods	4,291,798.14	4,044,400.83
Prior period adjustment	126,701.83	
Current period		247,397.31
Current period income	57,638.85	
Transfer from general resources	22,000,000.00	
TOTAL LIABILITIES AND FUND BALANCE	26,476,138.82	4,291,798.14

Notes to the financial statements

Income and expenditures

1. Total income from contributions for the biennium ended 31 December 1991 was $1,429,263,803, an increase of $229,576,258 compared to the 1988-1989 biennium. Total income from contributions for the years ended 31 December 1990 and 31 December 1991 were $705,948,368 and $723,315,435, respectively.

2. Contributions for the biennium ended 31 December 1991 consisted of $839,293,794 for general resources and $589,970,009 for supplementary funds. Contributions for 1991 consisted of $415,140,750 for general resources and $308,174,685 for supplementary funds. Contributions for 1990 consisted of $424,153,044 for general resources and $281,795,324 for supplementary funds.

3. Net income from the Greeting Card and related operations for the biennium ended 31 December 1991 was $159,384,247. The net income for 1991 was $69,640,719, while that for 1990 was $89,743,528.

4. The amount of $8,034,665 shown on statement I includes the write-off and adjustment of pledges for the biennium ended 31 December 1991 totalling $7,495,312. Adjustments for write-offs of other assets and losses amounted to $539,353. The write-off and adjustment of pledges consist of:

		General resources	Supplementary funds	Total
		(United States dollars)		
(a)	Balance of supplementary funds cancelled by donors		1 670 040	1 670 040
(b)	Balance of supplementary funds cancelled on completion of project		2 693 168	2 693 168
(c)	Unpaid pledges	2 139 070	470 705	2 609 775
(d)	Transfer of funds to Special Accounts		522 329	522 329
	Total write-offs and adjustments	2 139 070	5 356 242	7 495 312

5. Income from miscellaneous sources for the biennium ended 31 December 1991 was $74,901,936 (schedule 2). It consisted mainly of $48,176,172 in interest on funds held in interest-bearing deposits and in current accounts with banks, and $6,312,543 income from packing and assembly activities. These include the excess of the 6 per cent freight recovery over actual inward freight for procurement services, sales and the operations of the UNICEF Supply Division warehouse at Copenhagen.

6. The actual expenditures for packing and assembly activities are reported as programme support services costs in statement VII. The 10 per cent surcharge on UNICEF programmes to cover programme support services costs for packing and assembly, which amounted to $10,029,207 in 1990-1991, is offset against total programme support costs, as reported in statement I and noted in statement VII.

7. Supplies shipped by the Supply Division warehouse at Copenhagen in 1990-1991 were valued at $85,838,445, which include an operational surcharge of 10 per cent to recover packing and warehousing costs (E/ICEF/1985/AB/L.1, para. 285) and a freight charge of 6 per cent. The surcharge is recorded separately in the accounts of UNICEF and reported as a reduction against programme support services costs. Of the total supplied shipped during the year, 68 per cent went as input to UNICEF country programmes and 32 per cent were delivered on a reimbursable basis on behalf of Governments, other agencies in the United Nations system and non-governmental organizations.

Assets, liabilities and fund balances

8. Changes in the value of the United States dollar (the accounting unit) in relation to other currencies in which assets and liabilities were held resulted in a net decrease of $35,731,811 in the accounting value of these assets and liabilities during the biennium ended 31 December 1991.

9. As at 31 December 1991, cash totalled $403,264,004 (statement II). Included in this amount is $47,121,374 held on behalf of donors, mainly for procurement of goods and services on a reimbursable basis. Cash details are given in schedule 3.

10. The application of the 1 January 1992 United Nations exchange rate to the balance of the call, investment and current bank accounts would have resulted in a revaluation increase in the cash holdings to the amount of $4,679,591.

11. Contributions receivable for current and prior years totalled $288,926,067 as at 31 December 1991. Included in contributions receivable are $263,361,612 for supplementary funds, the payment of which is normally related to the progress in implementing specific projects and occurs in accordance with payment schedules agreed upon with donors. Details and ageing are given in schedules 4 and 5, respectively.

12. The 1990-1991 biennium-end balances of cash and receivables include Russian roubles which have been significantly devalued between December 1991, when the exchange rate was 1.75 roubles to US$ 1, and March 1992 when the exchange rate is 100 roubles to US$ 1. The impact of this March 1992 devaluation on the balance sheet accounts is shown below.

	Rouble balances 31 December 1991	United States dollar equivalent 31 December 1991	United States dollar equivalent March 1992	Devaluation impact (United States dollars)
Cash	32 219 947.4	18 411 398.54	322 199.47	(18 089 199.07)
Receivables	15 000 000.0	8 571 428.57	150 000.00	(8 421 428.57)
Total	47 219 947.4	26 982 827.11	472 199.47	(26 510 627.64)

13. Contributions pledged and received in advance totalled $143,819,947 as at 31 December 1991. These contributions will be recorded as income in following years in accordance with the conditions specified in the relevant pledge. Details are given in schedule 8.

14. The aggregate of accounts receivable, advances and deposits as of 31 December 1991 totalled $156,969,435, including the accounts of the Greeting Card Operation, which total $101,360,574 (see the summary of significant accounting policies, paras. 10-13). Details are given in schedule 6.

15. The aggregate value of inventory as at 31 December 1991 totalled $40,505,223, consisting mainly of programme supplies in stock at the UNICEF Supply Division warehouse at Copenhagen and Greeting Card Operation stock. Details are given in schedule 7.

16. Capital assets reflected in the financial statements of 31 December 1991 consist of office buildings and staff housing presented at their acquisition cost, as well as Greeting Card Operation machinery and equipment that is depreciated over the estimated useful life of these assets (see the Summary of significant accounting policies, paras. 20-22 for UNICEF capital assets policies). Computer equipment acquired in 1991 has been charged against the administrative budget, a procedure consistently applied since 1986, and are not reflected in the statements.

SCHEDULES TO THE FINANCIAL STATEMENTS

SCHEDULE 1

Contributions received or pledged for the biennium ended 31 December 1991

(United States dollars)

Donor country	General resources			Supplementary funds				
	Governments and inter-governmental agencies	Non-governmental sources	Subtotal	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Subtotal	Total
Afghanistan	70,000.00		70,000.00					70,000.00
Albania	400.00		400.00					400.00
Algeria	60,254.99		60,254.99					60,254.99
Angola	15,000.00		15,000.00					15,000.00
Argentina	222,242.00		222,242.00					222,242.00
Australia	5,626,153.85	7,113.44	5,633,267.29	13,819,463.12	1,925,423.50		15,744,886.62	21,378,153.91
Austria	3,413,547.19	406,746.58	3,820,293.77	48,557.84	1,054,225.55		1,102,783.39	4,923,077.16
Bahamas	1,400.00		1,400.00					1,400.00
Bangladesh	18,980.00		18,980.00					18,980.00
Barbados	4,000.00	500.00	4,500.00					4,500.00
Belarus	1,236,039.83		1,236,039.83					1,236,039.83
Belgium	4,369,658.12	2,431,267.43	6,800,925.55	529,860.13	763,022.40		1,292,882.53	8,093,808.08
Belize	5,000.00		5,000.00					5,000.00
Benin	6,000.00		6,000.00					6,000.00
Bhutan	12,763.80		12,763.80					12,763.80
Bolivia	35,000.00		35,000.00					35,000.00
Botswana	29,480.00		29,480.00					29,480.00
Brazil		164.28	164.28		2,064,589.24		2,064,589.24	2,064,753.52
British Virgin Islands	310.00		310.00					310.00
Brunei Darussalam				50,000.00			50,000.00	50,000.00
Bulgaria	32,540.59		32,540.59					32,540.59
Burkina Faso	3,712.03		3,712.03					3,712.03
Burundi	10,611.74		10,611.74					10,611.74
Cameroon	115,785.78		115,785.78					115,785.78
Canada	29,892,097.48	1,091.26	29,893,188.74	48,319,586.67	22,528,663.10		70,848,249.77	100,741,438.51
Cape Verde	965.19		965.19					965.19
Central African Republic	5,357.14		5,357.14	489,034.08			489,034.08	494,391.22
Chad	7,326.01		7,326.01					7,326.01
Chile	145,929.41		145,929.41	50,000.00			50,000.00	195,929.41
China	1,320,000.00	750.00	1,320,750.00					1,320,750.00
Colombia	904,055.45		904,055.45					904,055.45
Costa Rica	10,842.47		10,842.47					10,842.47
Côte d'Ivoire					1,064.75		1,064.75	1,064.75
Cuba	66,003.92		66,003.92					66,003.92
Cyprus	3,083.33	23,406.21	26,489.54					26,489.54
Czechoslovakia	112,103.01		112,103.01					112,103.01
Democratic People's Republic of Korea	46,844.84		46,844.84					46,844.84
Denmark	34,716,825.78 a/	234,488.89	34,951,314.67	37,922,509.16	139,884.62		38,062,393.78	73,013,708.45
Djibouti	2,000.00		2,000.00					2,000.00

SCHEDULE 1 (continued)

Donor country	General resources			Supplementary funds				Total
	Governments and inter-governmental agencies	Non-governmental sources	Subtotal	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Subtotal	
Dominica	2,343.48		2,343.48					2,343.48
Ecuador	56,229.05		56,229.05	10,000.00			10,000.00	66,229.05
Egypt	44,151.27	1,596.39	45,747.66					45,747.66
El Salvador	75,000.00	345.30	75,345.30					75,345.30
Ethiopia	98,550.72	80.00	98,630.72					98,630.72
Fiji	1,462.05		1,462.05					1,462.05
Finland	77,929,518.62	123,084.07	78,052,602.69	8,043,567.09	4,286,383.00		12,329,950.09	90,382,552.78
France	13,814,897.34	4,088,784.60	17,903,681.94		1,923,056.37		1,923,056.37	19,826,738.31
Germany	21,228,742.52	12,521,243.41	33,749,985.93	11,313,916.42	11,679,539.76		22,993,456.18	56,743,442.11
Greece	350,000.00	210,146.55	560,146.55	10,000.00	383,734.21		393,734.21	953,880.76
Guatemala	61,939.35	3,533.38	65,472.73					65,472.73
Guyana	725.45		725.45					725.45
Haiti	5,000.00	113.82	5,113.82		5,259.01		5,259.01	10,372.83
Holy See	4,000.00		4,000.00					4,000.00
Honduras	27,924.53		27,924.53					27,924.53
Hong Kong	19,221.59		19,221.59					19,221.59
Hungary	81,110.20		81,110.20					81,110.20
Iceland	164,949.38		164,949.38					164,949.38
India	2,888,843.91	82,500.00	2,971,343.91	70,000.00			70,000.00	3,041,343.91
Indonesia	600,000.00	5,915.66	605,915.66					605,915.66
Iran (Islamic Republic of)	100,000.00		100,000.00					100,000.00
Iraq	193,548.38		193,548.38	1,016,129.03			1,016,129.03	1,209,677.41
Ireland	935,549.70	409,404.82	1,344,954.52	407,845.76	46,875.00		454,720.76	1,799,675.28
Israel	100,339.81		100,339.81					100,339.81
Italy	84,676,762.74	2,958,461.99	87,635,224.73	9,547,060.57	5,932,076.17		15,479,136.74	103,114,361.47
Jamaica	2,428.57		2,428.57					2,428.57
Japan	43,660,000.00	6,871,460.41	50,531,460.41	1,301,124.99	21,273,267.89		22,574,392.88	73,105,853.29
Jordan	29,940.66	275.00	30,215.66					30,215.66
Kenya	25,495.65		25,495.65					25,495.65
Kuwait	200,000.00	168.33	200,168.33	2,000,000.00			2,000,000.00	2,200,168.33
Lao People's Democratic Republic	10,000.00		10,000.00					10,000.00
Lebanon	5,000.00		5,000.00					5,000.00
Lesotho	3,118.02	258.81	3,376.83					3,376.83
Liberia		88.10	88.10					88.10
Liechtenstein	3,496.50		3,496.50	3,496.50			3,496.50	6,993.00
Luxembourg	155,885.79	206,059.01	361,944.80		45,147.94		45,147.94	407,092.74
Madagascar	4,256.08		4,256.08					4,256.08
Malawi	5,852.83	137.93	5,990.76					5,990.76
Malaysia	168,330.00	364.47	168,694.47	105,000.00	18,545.46		123,545.46	292,239.93

SCHEDULE 1 (continued)

Donor country	General resources			Supplementary funds				Total
	Governments and inter-governmental agencies	Non-governmental sources	Subtotal	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Subtotal	
Maldives	8,526.81		8,526.81					8,526.81
Mali		1,287.44	1,287.44	93,076.92			93,076.92	94,364.36
Malta	7,046.13		7,046.13					7,046.13
Mauritius	10,892.42	304.45	11,196.87					11,196.87
Mexico	145,917.34	2,722.57	148,639.91		30,816.07		30,816.07	179,455.98
Monaco	26,317.10		26,317.10					26,317.10
Mongolia	5,995.00		5,995.00					5,995.00
Morocco	140,000.00		140,000.00					140,000.00
Mozambique		100.00	100.00					100.00
Myanmar	503,733.16	38.34	503,771.50					503,771.50
Netherlands	35,344,551.63	2,507,467.62	37,852,019.25	24,958,095.04	27,808,819.00		52,766,914.04	90,618,933.29
New Zealand	1,020,305.48	13,306.63	1,033,612.11	236,508.06	144,588.35		381,096.41	1,414,708.52
Nicaragua	11,730.00		11,730.00					11,730.00
Niger	2,000.00		2,000.00					2,000.00
Nigeria	843,817.20	996.74	844,813.94	3,600,621.03			3,600,621.03	4,445,434.97
Norway	77,031,275.74	56,200.64	77,087,476.38	25,185,961.33			25,185,961.33	102,273,437.71
Oman	10,000.00		10,000.00	1,212.66	78,025.48		79,238.14	89,238.14
Pakistan	258,718.23	39.78	258,758.01					258,758.01
Panama	50,000.00		50,000.00					50,000.00
Papua New Guinea		106.38	106.38					106.38
Paraguay	2,000.00		2,000.00					2,000.00
Philippines	370,392.03		370,392.03					370,392.03
Poland	51,987.11		51,987.11					51,987.11
Portugal	65,000.00	212,011.20	277,011.20		422,988.50		422,988.50	699,999.70
Republic of Korea	1,000,000.00	300.25	1,000,300.25		373,630.05		373,630.05	1,373,930.30
Romania	18,174.60		18,174.60					18,174.60
Rwanda	3,958.40		3,958.40					3,958.40
Russian Federation	28,200,082.07	28,782.25	28,228,864.32					28,228,864.32
Saint Kitts and Nevis	1,750.00		1,750.00					1,750.00
Saint Lucia	2,586.08		2,586.08					2,586.08
San Marino	7,116.28	20,000.00	27,116.28		35,829.38		35,829.38	62,945.66
Saint Vincent and the Grenadines	2,250.00		2,250.00					2,250.00
Saudi Arabia	2,000,000.00	93,750.90	2,093,750.90		48,333.33		48,333.33	2,142,084.23
Sierra Leone	4,386.19		4,386.19					4,386.19
Singapore	10,000.00		10,000.00					10,000.00
Spain	4,956,694.77		4,956,694.77	49,019.61	15,102,725.42		15,151,745.03	20,108,439.80
Sri Lanka	31,400.00	2,875.53	34,275.53					34,275.53
Sudan				8,000,000.00			8,000,000.00	8,000,000.00
Swaziland	2,713.18		2,713.18					2,713.18
Sweden	113,218,111.34	45,132.40	113,263,243.74	107,325,003.25	33,843.35		107,358,846.60	220,622,090.34
Switzerland	24,626,053.94	10,653,492.89	35,279,546.83	20,312,568.25	5,159,810.91		25,472,379.16	60,751,925.99
Syrian Arab Republic	35,714.29	100.00	35,814.29					35,814.29

SCHEDULE 1 (continued)

Donor country	General resources: Governments and inter-governmental agencies	General resources: Non-governmental sources	General resources: Subtotal	Supplementary funds: Governments and inter-governmental agencies	Supplementary funds: Non-governmental sources	Supplementary funds: United Nations system	Supplementary funds: Subtotal	Total
Thailand	549,423.27	269.58	549,692.85					549,692.85
Togo	7,751.94		7,751.94					7,751.94
Trinidad and Tobago	8,779.63		8,779.63					8,779.63
Tunisia	144,552.15		144,552.15					144,552.15
Turkey	102,181.82	1,212.21	103,394.03		30,000.00		30,000.00	133,394.03
Uganda	1,483.48		1,483.48					1,483.48
Ukraine	1,417,956.71		1,417,956.71					1,417,956.71
United Arab Emirates	100,000.00	7,984.45	107,984.45		235,599.58		235,599.58	343,584.03
United Kingdom of Great Britain and Northern Ireland	30,713,078.26	240,264.76	30,953,343.02	6,691,332.85	8,987,399.90		15,678,732.75	0.00
United Republic of Tanzania	10,743.04	200.00	10,943.04					46,632,075.77
United States of America	140,400,000.00	326,623.46	140,726,623.46	30,601,973.76	54,005,117.04		84,607,090.80	10,943.04
Uruguay	20,000.00		20,000.00					225,333,714.26
Venezuela	342,035.36		342,035.36					20,000.00
Viet Nam	17,000.00		17,000.00					342,035.36
Yemen	30,567.67		30,567.67					17,000.00
Yugoslavia	250,000.00	2,234.45	252,234.45		4,081.63		4,081.63	30,567.67
Zaire	3,000.00		3,000.00					256,316.08
Zambia	6,515.78		6,515.78					3,000.00
Zimbabwe	26,584.43	252.35	26,836.78					6,515.78
Miscellaneous		46,407.83	46,407.83		95,603.87		95,603.87	26,836.78
Subtotal	794,439,778.20	44,854,015.24	839,293,793.44	362,112,524.12	186,667,969.83	0.00	548,780,493.95	142,011.70
INTERGOVERNMENTAL ORGANIZATIONS								1,388,074,287.39
AGFUND				37,000.00			37,000.00	0.00
EEC				19,832,722.99			19,832,722.99	37,000.00
OPEC Fund								19,832,722.99
Subtotal				19,869,722.99			19,869,722.99	0.00
								0.00
								19,869,722.99

SCHEDULE 1 (concluded)

Donor country	General resources			Supplementary funds				
	Governments and inter-governmental agencies	Non-governmental sources	Subtotal	Governments and inter-governmental agencies	Non-governmental sources	United Nations system	Subtotal	Total
UNITED NATIONS SYSTEM								
PAHO, Washington						30,000.00	30,000.00	30,000.00
United Nations Secretariat						4,926,962.23	4,926,962.23	4,926,962.23
UNCDF, New York						2,320,754.00	2,320,754.00	2,320,754.00
UNDP, New York						1,691,120.00	1,691,120.00	1,691,120.00
UNDRO, Geneva						7,428,432.00	7,428,432.00	7,428,432.00
UNFPA, New York						4,073,424.08	4,073,424.08	4,073,424.08
UNHCR, Geneva						849,100.00	849,100.00	849,100.00
Subtotal						21,319,792.31	21,319,792.31	21,319,792.31
Grand total	794,439,778.20 b/	44,854,015.24	839,293,793.44	381,982,247.11	186,667,969.83	21,319,792.31	589,970,009.25	1,429,263,802.69

SUMMARY

Governments and inter-governmental agencies	1,176,422,025.31
Non-governmental sources	231,521,985.07
United Nations system	21,319,792.31
TOTAL	1,429,263,802.69

a/ The Government of Denmark pledged DKr 235 million to UNICEF general resources. Of this amount, DKr 15,947,400 has been recorded to be offset against administrative expenditures incurred by the UNICEF warehouse facility at Copenhagen.

b/ Includes $1,354,060.25 contributed towards local budget costs.

SCHEDULE 2

Other income for the biennium ended 31 December 1991

(United States dollars)

	1990-1991	1988-1989
INCOME RELATED TO THE BUDGET EXPENDITURES a/		
Income from packing and assembly activities b/	6,312,542.92	6,490,284.83
Services to Greeting Card and related operations		230,000.00
Adjustments of accounts payable related to prior year's budget	7,276,655.45	4,644,048.38
Agency commissions and reimbursement for services	944,963.23	1,104,744.69
Income from sale of films, books and other information materials	15,431.46	26,805.78
Income from sale of surplus and obsolete administrative property	1,000,088.74	488,486.01
Miscellaneous	770,013.71	655,597.39
Subtotal	16,319,695.51	13,639,967.08
INCOME RELATED TO PROGRAMME OPERATIONS		
Shipping and insurance claims received	22,750.17	57,509.76
Income from sale of surplus and programme property	265,475.51	338,079.71
Subtotal	288,225.68	395,589.47
INCOME RELATED TO FINANCIAL OPERATIONS		
Interest on current bank accounts and short-term investments	48,176,172.48	46,537,618.43
Cash discounts	1,035,665.17	524,265.57
Gains (losses) on foreign exchange transactions	6,852,994.83	8,615,645.58
Miscellaneous	2,229,182.07	4,361,139.84
Subtotal	58,294,014.55	60,038,669.42
Less: Losses written off		1,888,355.46
Total	74,901,935.74	72,185,870.51

a/ Government contributions towards local budget costs totalled $1,354,060.25 in 1991. These are government contributions to UNICEF general resources (schedule 1) and are shown separately in statement VII.

b/ Income from packing and assembly activities does not include the 10 per cent operational surcharge for UNICEF programme expenditures. On statement VII, however, to present the status of approved estimates, the recovery from these activities is shown inclusive of the 10 per cent surcharge.

SCHEDULE 3

Cash holdings as at 31 December 1991

(United States dollar equivalent)

	Time remaining to maturity					
	At sight	2-7 days	8-30 days	31-90 days	Over 90 days	Total
IN CURRENT ACCOUNTS, CASH ON HAND AND IN TRANSIT						
Convertible currencies	6,834,889.11					6,834,889.11
Non-convertible currencies	24,862,922.86					24,862,922.86
Subtotal	31,697,811.97					31,697,811.97
AT CALL ACCOUNTS AND TIME DEPOSITS						
Belgian francs	494,407.18	454,545.45	757,575.76	2,575,757.58		4,282,285.97
Canadian dollars	948,581.92		1,399,705.19	2,857,561.57		5,205,848.68
Deutsche mark	3,074,736.48		2,812,500.00	6,875,000.00	5,312,500.00	18,074,736.48
European currency units	65,152.13	641,025.64	1,326,077.76	1,410,256.41		3,442,511.94
Finnish markkaa	155,000.28	232,558.14	232,558.14	906,976.74		1,527,093.30
French francs	3,823,283.36	1,834,862.38	1,834,862.38	6,788,990.83	2,752,293.58	17,034,292.53
Greek drachmas						0.00
Irish pounds	178.38					178.38
Italian lire	1,630,654.31	833,333.33	1,250,000.00	3,250,000.00		6,963,987.64
Japanese yen	1,544,580.74	1,450,381.68	8,625,954.21	6,984,732.82		18,605,649.45
Netherlands guilders	1,885,238.55	555,555.56		2,666,666.67		5,107,460.78
Norwegian kroner	5,028,512.41	158,730.16	317,460.32	1,269,841.27	158,730.16	6,933,274.32
Portugese escudos	5,305.51					5,305.51
Pounds sterling	1,712,006.86		3,008,849.56	2,300,884.95		7,021,741.37
Spanish pesetas	1,417.55					1,417.55
Swedish kronor	855,122.16		1,016,949.15	338,983.05		2,211,054.36
Swiss francs	1,613,882.58	1,398,601.40	1,398,601.40	3,846,153.85		8,257,239.23
United States dollars	10,475,903.55	22,000,000.00	48,000,000.00	130,046,875.00	54,156,124.64	264,678,903.19
Other convertible currencies	1,754,446.02					1,754,446.02
Non-convertible currencies	458,765.58					458,765.58
Subtotal	35,527,175.55	29,559,593.74	71,981,093.87	172,118,680.74	62,379,648.38	371,566,192.28
Total	67,224,987.52	29,559,593.74	71,981,093.87	172,118,680.74	62,379,648.38	403,264,004.25
SUMMARY						
Convertible currencies						377,942,315.81
Non-convertible currencies						25,321,688.44
						403,264,004.25

SCHEDULE 4

Contributions receivable for general resources and supplementary funds, current and prior years, as at 31 December 1991

(United States dollars)

Donor country	General resources: Governments and inter-governmental agencies	General resources: Non-governmental sources	General resources: Subtotal	Supplementary funds: Governments and inter-governmental agencies	Supplementary funds: Non-governmental sources	Supplementary funds: Subtotal	Total
GOVERNMENTS							
Afghanistan	75,000.00		75,000.00				75,000.00
Albania	400.00		400.00				400.00
Algeria	8,000.00		8,000.00				8,000.00
Australia				2,941,029.81		2,941,029.81	2,941,029.81
Bangladesh	9,500.00		9,500.00				9,500.00
Belarus	621,142.86		621,142.86				621,142.86
Benin	3,000.00		3,000.00				3,000.00
Bhutan	5,775.00		5,775.00				5,775.00
Bulgaria	4,371.58		4,371.58				4,371.58
Burkina Faso	4,930.40		4,930.40				4,930.40
Canada				21,776,452.33		21,776,452.33	21,776,452.33
Central African Republic				423,121.04		423,121.04	423,121.04
Chad	7,326.01		7,326.01				7,326.01
Chile	150,000.00		150,000.00				150,000.00
Comoros	3,000.00		3,000.00				3,000.00
Cyprus	1,000.00		1,000.00				1,000.00
Denmark				2,795,702.00		2,795,702.00	2,795,702.00
Djibouti	3,000.00		3,000.00				3,000.00
Ecuador				10,000.00		10,000.00	10,000.00
Egypt	40,567.56		40,567.56				40,567.56
El Salvador	25,000.00		25,000.00				25,000.00
Fiji	1,426.37		1,426.37				1,426.37
Finland	892.86		892.86	8,444.21		8,444.21	9,337.07
France	1,284,403.68		1,284,403.68	440,366.97		440,366.97	1,724,770.65
Germany				566,624.38		566,624.38	566,624.38
Guatemala	90,000.00		90,000.00				90,000.00
Guyana	157.26		157.26				157.26
Indonesia	300,000.00		300,000.00				300,000.00
Iran (Islamic Republic of)	50,000.00		50,000.00				50,000.00
Italy				22,854,351.67		22,854,351.67	22,854,351.67
Italy - expanded programme on immunization				20,945,582.00		20,945,582.00	20,945,582.00
Kenya	37,571.92		37,571.92				37,571.92
Kuwait	400,000.00		400,000.00				400,000.00
Lao People's Democratic Republic	10,000.00		10,000.00				10,000.00
Lebanon	5,000.00		5,000.00				5,000.00
Lesotho	1,907.02		1,907.02				1,907.02
Liberia	5,000.00		5,000.00				5,000.00
Liechtenstein	3,496.50		3,496.50	3,496.50		3,496.50	6,993.00
Luxembourg	75,757.58		75,757.58				75,757.58
Madagascar	3,684.35		3,684.35				3,684.35
Malawi	3,717.47		3,717.47				3,717.47

SCHEDULE 4 (continued)

Donor country	General resources: Governments and inter-governmental agencies	General resources: Non-governmental sources	General resources: Subtotal	Supplementary funds: Governments and inter-governmental agencies	Supplementary funds: Non-governmental sources	Supplementary funds: Subtotal	Total
Mali				93,076.92		93,076.92	93,076.92
Morocco	140,000.00		140,000.00	63,792.42		63,792.42	203,792.42
Netherlands				6,832,042.02		6,832,042.02	6,832,042.02
Niger	2,000.00		2,000.00				2,000.00
Nigeria	176,435.64		176,435.64	29,693.37		29,693.37	206,129.01
Norway				606,778.92		606,778.92	606,778.92
Oman	5,000.00		5,000.00				5,000.00
Pakistan	40,653.06		40,653.06				40,653.06
Panama	25,000.00		25,000.00				25,000.00
Paraguay	2,000.00		2,000.00				2,000.00
Philippines	182,534.44		182,534.44				182,534.44
Republic of Korea	600,000.00		600,000.00				600,000.00
Romania	1,666.66		1,666.66				1,666.66
Russian Federation	7,236,571.43		7,236,571.43				7,236,571.43
Saudi Arabia	1,000,000.00		1,000,000.00				1,000,000.00
Senegal	12,000.00		12,000.00				12,000.00
Singapore	10,000.00		10,000.00				10,000.00
Somalia	78.95		78.95				78.95
Spain				49,019.61		49,019.61	49,019.61
Sudan	3,020.13		3,020.13	6,500,000.00		6,500,000.00	6,503,020.13
Sweden	3,389,830.51		3,389,830.51	51,843,648.40		51,843,648.40	55,233,478.91
Switzerland				7,091,437.95		7,091,437.95	7,091,437.95
Thailand	193,453.31		193,453.31				193,453.31
Uganda	1,419.65		1,419.65				1,419.65
Ukraine	713,714.29		713,714.29				713,714.29
United Kingdom of Great Britain and Northern Ireland				442,477.88		442,477.88	442,477.88
United States of America	400,000.00		400,000.00	21,404,005.56		21,404,005.56	21,804,005.56
Uruguay	10,000.00		10,000.00				10,000.00
Viet Nam	17,000.00		17,000.00				17,000.00
Yugoslavia	200,551.69		200,551.69				200,551.69
Zaire	2,000.00		2,000.00				2,000.00
Zambia	2,925.00		2,925.00				2,925.00
Zimbabwe	9,272.18		9,272.18				9,272.18
Subtotal	17,612,155.36	0.00	17,612,155.36	167,721,143.96		167,721,143.96	185,333,299.32
INTERGOVERNMENTAL AGENCIES							
AGFUND	7,952,300.00		7,952,300.00	3,544,400.00		3,544,400.00	11,496,700.00
EEC				43,700,058.38		43,700,058.38	43,700,058.38
OPEC Fund				118,151.28		118,151.28	118,151.28
Subtotal	7,952,300.00		7,952,300.00	47,362,609.66		47,362,609.66	55,314,909.66

SCHEDULE 4 (concluded)

Donor country	General resources: Governments and inter-governmental agencies	General resources: Non-governmental sources	General resources: Subtotal	Supplementary funds: Governments and inter-governmental agencies	Supplementary funds: Non-governmental sources	Supplementary funds: Subtotal	Total
NATIONAL COMMITTEES FOR UNICEF							
Canada					4,849,872.71	4,849,872.71	4,849,872.71
Germany					100,000.00	100,000.00	100,000.00
Luxembourg					3,030.30	3,030.30	3,030.30
Netherlands					111,111.10	111,111.10	111,111.10
Subtotal					5,064,014.11	5,064,014.11	5,064,014.11
NON-GOVERNMENTAL ORGANIZATIONS							
Canada					3,406,899.56	3,406,899.56	3,406,899.56
Netherlands					173,154.19	173,154.19	173,154.19
Republic of Korea					4,130.78	4,130.78	4,130.78
United States of America					30,562,261.47	30,562,261.47	30,562,261.47
Subtotal					34,146,446.00	34,146,446.00	34,146,446.00
UNITED NATIONS SYSTEM							
United Nations Secretariat					827,000.00	827,000.00	827,000.00
UNCDF, New York					1,464,358.86	1,464,358.86	1,464,358.86
UNDP, New York					2,144,686.09	2,144,686.09	2,144,686.09
UNDRO, Geneva					1,293,973.10	1,293,973.10	1,293,973.10
UNFPA, New York					2,308,563.57	2,308,563.57	2,308,563.57
UNHCR, Geneva					896,688.89	896,688.89	896,688.89
World Bank					132,127.36	132,127.36	132,127.36
Subtotal					9,067,397.87	9,067,397.87	9,067,397.87
TOTAL	25,564,455.36		25,564,455.36	215,083,753.62	48,277,857.98	263,361,611.60	288,926,066.96

Summary

Governments and intergovernmental agencies	240,648,208.98
National committees for UNICEF	5,064,014.11
Non-governmental organizations	34,146,446.00
United Nations system	9,067,397.87
Total	288,926,066.96

SCHEDULE 5

Aging of contributions receivable as at 31 December 1991

(United States dollars)

	Prior to 1989	1989	1990	1991	Total
GENERAL RESOURCES					
Governments and intergovernmental agencies	8,426,967.24	580,183.67	1,168,651.75	15,388,652.70	25,564,455.36
SUPPLEMENTARY FUNDS					
Governments and intergovernmental agencies	45,829,204.88	36,557,000.25	48,312,302.97	84,385,245.52	215,083,753.62
National Committees for UNICEF	37,521.82	200,393.86	424,547.38	4,401,551.05	5,064,014.11
Non-governmental sources	310,951.92	2,482,705.86	7,875,229.29	23,477,558.93	34,146,446.00
United Nations system	1,709,211.15	495,248.75	815,338.81	6,047,599.16	9,067,397.87
Subtotal	47,886,889.77	39,735,348.72	57,427,418.45	118,311,954.66	263,361,611.60
TOTAL	56,313,857.01	40,315,532.39	58,596,070.20	133,700,607.36	288,926,066.96

SCHEDULE 6

Accounts receivable, advances and deposits as at 31 December 1991

(United States dollars)

	1991	1989
ACCOUNTS RECEIVABLE		
From the United Nations and specialized agencies for supplies and advances for fellowships and other jointly assisted projects	2,645,806.85	1,726,285.61
From non-governmental organizations for fund-raising campaigns		
National Committees for UNICEF	101,360,574.38	83,640,521.35
From Governments - other	345,688.21	606,349.82
For shipping and insurance claims	97,859.61	88,598.36
Miscellaneous	3,558,213.61	2,687,996.72
From banks - accrued interest	2,243,565.90	3,379,467.58
From Governments, United Nations agencies and other organizations for special accounts	31,259,485.72	24,746,186.17
TOTAL ACCOUNTS RECEIVABLE	141,511,194.28	116,875,405.61
DEPOSITS AND PREPAYMENTS FOR OFFICE SERVICES	14,475,141.42	12,038,744.10
ADVANCES		
To suppliers for goods purchased and freight	983,099.54	405,484.42
GRAND TOTAL	156,969,435.24	129,319,634.13

SCHEDULE 7

Inventories as at 31 December 1991

(United States dollars)

	1991	1989
UNICEF PROGRAMME SUPPLIES		
UNICEF Supply Division warehouse, Copenhagen		
In stock	29,000,273.32	25,261,414.34
In transit	1,889,952.25	927,308.17
	30,890,225.57	26,188,722.51
Packing materials	248,900.46	200,859.07
Total stocks in the UNICEF Supply Division warehouse, Copenhagen, and in transit	31,139,126.03	26,389,581.58
STOCKS IN OTHER LOCATIONS		
With suppliers	26,296.60	23,727.06
GREETING CARD AND RELATED OPERATIONS		
Raw materials	4,780,136.49	2,880,369.62
Products in process	1,532,306.83	1,028,670.66
Finished goods	3,027,357.07	3,930,206.79
	9,339,800.39	7,839,247.07
TOTAL INVENTORIES	40,505,223.02	34,252,555.71

SCHEDULE B

Contributions for following years pledged/received in advance
as at 31 December 1991

(United States dollars)

	Pledged		Received in advance		
	General resources	Supplementary funds	General resources	Supplementary funds	Total
GOVERNMENTS AND INTERGOVERNMENTAL AGENCIES					
Australia			3,253,968.25		3,253,968.25
Colombia			16,704.13		16,704.13
Denmark		14,083,000.00		304,000.00	14,387,000.00
Italy		5,833,333.34			5,833,333.34
Mali		57,655.67			57,655.67
Mauritania			6,403.25		6,403.25
Norway		5,628,317.47			5,628,317.47
Oman			50,000.00		50,000.00
Sweden		48,308,812.34			48,308,812.34
Switzerland		3,975,460.14			3,975,460.14
United States of America		174,620.00	53,250,000.00		53,424,620.00
Venezuela			235,473.95		235,473.95
Subtotal		78,061,198.96	56,812,549.58	304,000.00	135,177,748.54
NATIONAL COMMITTEES FOR UNICEF					
Canada		2,530,701.78			2,530,701.78
Subtotal		2,530,701.78			2,530,701.78
UNITED NATIONS SYSTEM					
UNFPA, New York		6,111,496.94			6,111,496.94
Subtotal		6,111,496.94			6,111,496.94
GRAND TOTAL		86,703,397.68	56,812,549.58	304,000.00	143,819,947.26

SCHEDULE 9

Accounts payable and other unliquidated obligations as at 31 December 1991

(United States dollars)

	1991	1989
ACCOUNTS PAYABLE		
To the United Nations and specialized agencies		
For staff salaries and related allowances	7,296,481.43	5,927,740.33
For supplies and equipment		1,181,701.25
Greeting Card and related operations	3,819,229.71	2,825,554.79
Freight	1,193,701.95	3,780,989.97
Miscellaneous	4,173,774.47	3,524,753.37
UNLIQUIDATED OBLIGATIONS		
Programme budget accounts		
For supplies and equipment	31,416,585.63	13,448,827.66
For services	10,663,015.95	
Administrative budget accounts	18,859,864.44	13,680,316.15
Provision made for amounts payable to staff members under the tax equalization plan		100,000.00
TOTAL	77,422,653.58	44,469,883.52

SCHEDULE 10

Procurement services and other services
for the biennium ended 31 December 1991

(United States dollars)

	Balance as at 1 January 1990	Funds received	Funds pledged/ advanced	Total funds available	Expenditure	Funds returned	Balance as at 31 December 1991
SPECIAL ACCOUNTS FOR PROCUREMENT SERVICES AND OTHER ACTIVITIES							
Governments	52,846,891.92	79,256,643.50	5,039,456.33	137,142,991.75	90,624,463.52	4,702,979.32	41,815,548.91
United Nations system	426,792.01	10,919,708.11	2,300,104.75	13,646,604.87	12,482,765.16	106,018.61	1,057,821.10
Others	4,252,384.17	18,941,856.73	1,499,933.85	24,694,174.75	19,458,327.27	1,108,679.85	4,127,167.63
(schedule 10.1)	57,526,068.10	109,118,208.34	8,839,494.93	175,483,771.37	122,565,555.95	5,917,677.78	47,000,537.64
WORLD CONFERENCE ON EDUCATION (schedule 10.2)	2,110,781.24	1,248,967.99		3,359,749.23	3,359,749.23		
WORLD SUMMIT FOR CHILDREN							
Summit (schedule 10.3)		2,970,664.04		2,970,664.04	2,885,798.45		84,865.59
Mobilization (schedule 10.3)		1,835,520.63		1,835,520.63	1,799,550.20		35,970.43
		4,806,184.67		4,806,184.67	4,685,348.65		120,836.02
Total	59,636,849.34	115,173,361.00	8,839,494.93	183,649,705.27	130,610,653.83	5,917,677.78	47,121,373.66

SCHEDULE 10.1

Special accounts for procurement services and other activities
for the biennium ended 31 December 1991

(United States dollars)

Donors	Balance as at 1 January 1990 a/	Funds received	Funds advanced pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1991
GOVERNMENTS AND INTERGOVERNMENTAL AGENCIES							
AGFUND	81,156.32	(81,156.00)		0.32	0.32		
Afghanistan	16,623.53	62,944.71		79,568.24	62,944.71		16,623.53
Argentina	388.38			388.38	142.04		246.34
Australia	186,770.83	120,644.41		307,415.24	117,590.40	499.21	189,325.63
Bangladesh	7,217,513.06	22,870,204.14	520,468.44	30,608,185.64	16,468,768.53	576,670.34	13,562,746.77
Belgium	67,849.23	(77,146.96)		(9,297.73)	(10,468.32)	1,170.59	
Belize	9,979.78	3,041.00		13,020.78	9,624.90		3,395.88
Benin	644.77	651,757.00	8,316.45	660,718.22	560,503.38		100,214.84
Bhutan	-	0.20	270,548.72	270,548.92	270,548.92		
Bolivia	176,893.78	257,465.15	1,866.62	436,225.55	152,588.03	3,112.38	280,525.14
Botswana	24,946.67	34,515.19	453.04	59,914.90	29,468.48	5,046.71	25,399.71
Brazil	52,475.16	3,943,302.11		3,995,777.27	3,662,915.85		332,861.42
Burkina Faso	770.21	327,116.00	1,803.99	329,690.20	139,218.90		190,471.30
Burundi	-	5,748.00	200.75	5,948.75	5,271.76		676.99
Cambodia	-	19,536.00		19,536.00			19,536.00
Canada	331,963.13	1,587,486.32	73.42	1,919,522.87	1,801,233.02	13,689.64	104,600.21
Central African Republic	1,649.93	126,628.83	4,125.16	132,403.92	96,453.39	0.00	35,950.53
Chile		109,671.15			107,206.31	0.00	(107,206.31)
Colombia	79,816.36	246,050.42	13,475.52	339,342.30	247,996.21	0.00	91,346.09
Comoros	6,236.42	23,123.01	861.21	30,220.64	9,332.21	6,236.42	14,652.01
Congo		19,588.00			17,250.48	0.00	(17,250.48)
Costa Rica	6,642.28			6,642.28	6,435.56	0.00	206.72
Cuba	9,675.80			9,675.80	0.00	0.00	9,675.80
Democratic Yemen b/	312,547.27	(166,625.52)		145,921.75	118,814.49	0.00	27,107.26
Denmark	799,838.20	1,595,587.82	10,471.17	2,405,897.19	1,714,075.68	352,941.81	338,879.70
Djibouti	-	47,276.15	18,294.78	65,570.93	65,570.93	0.00	
Dominica	82.38			82.38	3.22	0.00	79.16
Dubai		1,982.00	616.64		1,675.24	923.40	(2,598.64)
Ecuador	2,585.21	421,873.40	132.04	424,590.65	479,431.44	0.00	(54,840.79)
Egypt	7,310.37			7,310.37	0.00	0.00	7,310.37
Ethiopia	337,928.93	1,758,921.09	11,441.72	2,108,291.74	616,946.98	84,202.54	1,407,142.22
Finland	67,485.22	606,501.44		673,986.66	543,889.88	0.00	130,096.78
France	542,333.84	814,781.34		1,357,115.18	853,709.49	(1,343.87)	504,749.56
Gabon	1,372.90			1,372.90	0.00	0.00	1,372.90
Gambia	18,040.35	363,980.63	27,504.29	409,525.27	392,918.29	0.00	16,606.98
Germany, Federal Republic of c/	2,365,343.79	1,738,267.52	(45,500.00)	4,058,111.31	2,342,155.57	0.00	1,715,955.74

SCHEDULE 10.1 (continued)

Donors	Balance as at 1 January 1990 a/	Funds received	Funds advanced pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1991
Ghana	1,699,435.71	1,174,347.64		2,873,783.35	1,072,240.30	1,077,759.53	723,783.52
Guatemala	80.56			80.56	0.00	0.00	80.56
Guinea	29,504.21	83,249.57	2,780.06	115,533.84	32,511.76	0.00	83,022.08
Guinea-Bissau	283.96	115,563.00		115,846.96	115,242.04		604.92
Guyana	3,709.48			3,709.48	0.00		3,709.48
Haiti	30,928.45	40,211.00	2,869.25	74,008.70	52,513.46		21,495.24
Honduras	10,941.19			10,941.19		10,941.19	0.00
India	260,917.00	522,238.69	306.19	783,461.88	498,139.70	4,371.67	280,950.51
Indonesia	76,602.36	3,713,722.00		3,790,324.36	3,341,132.81	76,602.36	372,589.19
Iran (Islamic Republic of)	6,680.16		5,596.40	12,276.56	0.00	0.00	12,276.56
Iraq	282,105.02			282,105.02	0.00	0.00	282,105.02
Ireland	2,186.45	6,014.00		8,200.45	608.57	2,186.45	5,405.43
Italy	21,789,242.93	5,523,578.42	350,928.67	27,663,750.02	20,442,060.70	(3,188.82)	7,224,878.14
Jamaica	15,137.28	500,882.86	250.69	516,270.83	289,005.89	7,408.77	219,856.17
Japan	137,635.68	3,284,167.59	223,821.02	3,645,624.29	2,971,641.45	1,453.88	672,528.96
Kenya	16,591.59	203,983.15	240,574.71	461,149.45	222,317.57	3,430.35	235,401.53
Kiribati	2,325.45			2,325.45	0.00	0.00	2,325.45
Kuwait		871.62			871.62	0.00	(871.62)
Lesotho	32,689.17	115,036.00	628.59	148,353.76	86,856.24	3,522.12	57,975.40
Liberia	65,545.51			65,545.51	38,542.30		27,003.21
Libyan Arab Jamahiriya	24,237.33			24,237.33	15,595.46		8,641.87
Madagascar	15,453.59	159,670.62	12.65	175,136.86	86,989.65	12,170.22	75,976.99
Malawi	12,394.12	354,161.88	803.72	367,359.72	34,542.88		332,816.84
Mali	245,843.52	3,813.35	6,248.88	255,905.75	187,458.17	6,481.85	61,965.73
Mauritania	7,579.40	14,640.12		22,219.52	12,343.92	0.00	9,875.60
Mexico	2,398.28			2,398.28	0.00	1,330.21	1,068.07
Micronesia (Federated States of)	6,795.35	25,350.22	(4,151.65)	27,993.92	19,882.51	2,726.82	5,384.59
Morocco	91,612.65		6,648.85	98,261.50	79,193.41	0.00	19,068.09
Mozambique	25.23	9,950.00		9,975.23	9,802.44	0.00	172.79
Myanmar	1,491,133.50	1,415,176.62	3,130.24	2,909,440.36	2,555,185.63	0.00	354,254.73
Nepal	42,110.17	158,566.96	34,689.19	235,366.32	145,468.09	(29,533.43)	119,431.66
Netherlands	106,614.68	3,457,764.48		3,564,379.16	941,302.04	(14,556.47)	2,637,633.59
Nicaragua	280.61			280.61	0.00	0.00	280.61
Niger				0.00	(677.13)	0.00	677.13
Nigeria	5,771,125.40	671,896.14	148,204.80	6,591,226.34	3,817,712.22	400,000.00	2,373,514.12
Norway	58,126.99	159,201.99	440.22	217,769.20	151,391.69	0.00	66,377.51
Oman	60,436.13	399,546.69	2,598.92	462,581.74	318,519.83	20,855.91	123,206.00
OPEC Fund	157,363.50	0.00	(12,922.80)	144,440.70	139,546.21	0.00	4,894.49
Pakistan	1,911,955.26	4,736,294.64		6,648,249.90	5,310,779.83	23,859.42	1,313,610.65
Panama		11,518.00			11,026.03	0.00	(11,026.03)
Papua New Guinea	10,387.00	42,763.00	186.70	53,336.70	35,544.21	0.00	17,792.49
Paraguay	361.60	31,207.00		31,568.60	30,281.74	0.00	1,286.86
Peru	3,385.59		2,588.46	5,974.05	581.01	0.00	5,393.04
Philippines	68,510.57	106,650.22	2,049.43	177,210.22	45,572.24	15,337.15	116,300.83

SCHEDULE 10.1 (continued)

Donors	Balance as at 1 January 1990 a/	Funds received	Funds advanced pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1991
Poland		50,000.00	3,189.59	53,189.59	53,189.59	0.00	
Portugal	965.55			965.55	250.00	715.55	0.00
Romania		1,085,642.46		1,085,642.46	1,022,546.27	0.00	63,096.19
Russian Federation		1,803,882.00		1,803,882.00	60.00	1,803,822.00	0.00
Rwanda	6,107.21	67,785.57	2,356.90	76,249.68	14,931.06	0.00	61,318.62
Saint Kitts and Nevis	855.66	4,795.00	368.80	6,019.46	5,163.38	856.08	
Sao Tome and Principe		102,667.04	1,472.51	104,139.55	97,296.72	0.00	6,842.83
Senegal		6,837.00		6,837.00	6,825.82	0.00	11.18
Seychelles	5,102.17			5,102.17	0.00	5,102.17	0.00
Sierra Leone	326,661.61	99,163.03	6,192.67	432,017.31	181,076.03	0.00	250,941.28
Somalia	136,627.28	253,903.00	24,016.70	414,546.98	278,897.16	135,649.82	
Sri Lanka	14,680.47	15,825.00		30,505.47	12,082.02	0.00	18,423.45
Sudan	1,184,119.27	430,762.01	9,562.69	1,624,443.97	1,162,116.69	(34,293.57)	496,620.85
Syrian Arab Republic	42,500.00	197,594.00	12,482.26	252,576.26	241,583.51		10,992.75
Swaziland	2,273.83			2,273.83	51.19	2,222.64	
Sweden	76,840.51	1,314,022.32	172,188.13	1,563,050.96	1,358,906.14	84,054.24	120,090.58
Switzerland	-	91,093.40	63,476.68	154,570.08	79,303.98		75,266.10
Thailand	2,955.89	2,598.53		5,554.42	2,426.62		3,127.80
Tokelau	-	6,753.00	29,889.30	36,642.30	36,412.19		230.11
Tunisia	818.27	847.00	2,057.71	3,722.98	763.44		2,959.54
Turkey	4,474.31	19,813.95		24,288.26	15,594.56	4,474.31	4,219.39
Uganda	139,048.43	441,740.70		580,789.13	156,550.78		424,238.35
United Kingdom of Great Britain and Northern Ireland		215,572.57	9,105.52	224,678.09	199,312.76		25,365.33
United Republic of Tanzania	848,731.92	4,034,673.38	50,784.82	4,934,190.12	2,819,751.15	19,661.15	2,094,777.82
United States of America	2,041,857.57	2,874,354.37	2,771,410.32	7,687,622.26	7,561,150.14	2,087.81	124,384.31
Vanuatu	1,089.61			1,089.61	53.95	1,035.66	
Viet Nam	93,576.64	128,489.00	3,940.26	226,005.90	199,112.14	0.00	26,893.76
Yemen b/	261,146.33	541,807.29	1.64	802,955.26	477,999.97	0.00	324,955.29
Zaire	258,675.12	494,333.86		753,008.98	271,312.25	0.00	481,696.73
Zambia	59,279.55	34,051.00	9,909.53	103,240.08	30,494.67	0.00	72,745.41
Zimbabwe	60,967.99	462,535.00	3,613.15	527,116.14	343,306.56	11,283.11	172,526.47
Total	52,846,891.92	79,256,643.50	5,039,456.33	137,142,991.75	90,624,463.52	4,702,979.32	41,815,548.91
UNITED NATIONS SYSTEM							
ESCWA	940.09			940.09		940.09	0.00
FAO	-	13,949.75	241.13	14,190.88	14,190.88		0.00
IAEA, Vienna		186.19		186.19	186.19	0.00	0.00
ILO	-	23,917.93	7,545.44	31,463.37	31,463.37		0.00

SCHEDULE 10.1 (concluded)

Donors	Balance as at 1 January 1990 a/	Funds received	Funds advanced pledged	Total funds available	Expenditure	Funds returned/ transferred	Balance as at 31 December 1991
PAHO, Washington	-	2,266,972.16	46,561.13	2,313,533.29	2,190,089.23	7,885.69	115,558.37
United Nations Secretariat	2,172.90	113,101.58	137,890.25	253,164.73	152,112.22	2,172.90	98,879.61
UNCDF, New York	13,825.55		3,166.54	16,992.09	3,253.55	13,634.33	104.21
UNDP, New York	3,013.26	264,293.01	77,929.78	345,236.05	208,639.29	35,199.72	101,397.04
UNDRO, Geneva	166.62	153,187.26	20,329.04	173,682.92	173,483.80	166.62	32.50
UNESCO	1,375.83	76,680.40	(920.75)	77,135.48	75,709.79		1,425.69
UNFDAC	2,676.51	15,079.83		17,756.34	15,238.74	2,303.29	214.31
UNFPA, New York	10,012.71	3,271,758.27	1,857,764.20	5,139,535.18	4,918,238.96	888.43	220,407.79
UNHCR, Geneva	72,576.90	1,497,696.20	197,896.24	1,768,169.34	1,690,767.07	30,110.72	47,291.55
UNRWA	6,644.09	681,856.75	(10,649.51)	677,851.33	677,023.74		827.59
WFP	3,167.24	18,212.05	87.18	21,466.47	18,299.23		3,167.24
WHO	307,844.00	2,522,816.73	(37,735.92)	2,792,924.81	2,314,069.10	12,716.82	466,138.89
World Bank	2,376.31			2,376.31			2,376.31
Total	426,792.01	10,919,708.11	2,300,104.75	13,646,604.87	12,482,765.16	106,018.61	1,057,821.10
Others	4,252,384.17	18,941,856.73	1,499,933.85	24,694,174.75	19,458,327.27	1,108,679.85	4,127,167.63
GRAND TOTAL	57,526,068.10	109,118,208.34	8,839,494.93	175,483,771.37	122,565,555.95	5,917,677.78	47,000,537.64

a/ Other procurement services, formerly known as warehouse sales, were classified as special accounts in 1990.

b/ On 22 May 1990, Democratic Yemen and Yemen merged to form a single State. Since that date, they have been represented as one member with the name "Yemen".

c/ Through accession of the German Democratic Republic to the Federal Republic of Germany with effect from 3 October 1990, the two German States have united to form one sovereign State. As from the date of unification, the Federal Republic of Germany acts in the United Nations under the designation of "Germany".

SCHEDULE 10.2

World Conference on Education for All and related activities
for the biennium ended 31 December 1991

(United States dollars)

	Funds received
GOVERNMENTS:	
Australia	100,000.00
Italy	100,000.00
Japan	250,000.00
Switzerland	100,000.00
United States of America	250,000.00
Subtotal	800,000.00
UNITED NATIONS SYSTEM:	
UNDP	16,287.99
UNFPA	60,000.00
World Bank	8,000.00
Subtotal	84,287.99
OTHERS:	
Asian Development Bank	134,000.00
ILSA/IAF	25,000.00
Inter-American Development Bank	205,680.00
Subtotal	364,680.00
Total funds received	1,248,967.99
Fund balance from prior period	2,110,781.24
Total funds available	3,359,749.23
Expenditures incurred	3,359,749.23
Unspent balance	0.00

SCHEDULE 10.3

World Summit for Children and related activities for the biennium ended 31 December 1991
(summary of 1990 and 1991 transactions)

(United States dollars)

	Funds pledged	Funds received	
		Summit	Mobilization
GOVERNMENTS			
Albania	2,000.00		2,000.00
Bangladesh	1,522.21	1,522.21	
Barbados	1,996.70	1,996.70	
Belarus	15,000.00	15,000.00	
Belgium	100,000.00	100,000.00	
Bhutan	5,000.00	5,000.00	
Brazil	30,000.00	30,000.00	
Cameroon	7,407.40	7,407.40	
Canada	208,333.33	208,333.33	
Chad	1,063.83	1,063.83	
Chile	5,000.00		5,000.00
China	50,000.00	25,000.00	25,000.00
Cuba	4,000.00	4,000.00	
Czechoslovakia	100,000.00		100,000.00
Denmark	87,009.48	87,009.48	
Djibouti	1,000.00	1,000.00	
Dominica	500.00	500.00	
Egypt	50,000.00		0.00
El Salvador	5,000.00	0.00	
Ethiopia	1,000.00	1,000.00	
Finland	250,375.56	174,375.56	76,000.00
France	114,503.82	114,503.82	
Gambia	3,000.00	0.00	
Germany, Federal Republic of a/	264,900.66	232,642.66	32,258.00
Greece	5,163.08	5,163.08	
Holy See	5,000.00		5,000.00
India	30,000.00	1,000.00	0.00
Indonesia	50,000.00	20,000.00	30,000.00
Ireland	159,270.00	159,270.00	
Italy	250,000.00	150,000.00	100,000.00
Japan	200,000.00	200,000.00	
Jordan	5,000.00	5,000.00	
Kenya	2,174.00		0.00
Kuwait	100,000.00	100,000.00	
Lebanon	5,000.00	5,000.00	
Liechtenstein	2,000.00	2,000.00	
Luxembourg	16,046.21		16,046.21
Malaysia	50,000.00	50,000.00	
Maldives	2,000.00	500.00	1,000.00
Mali	57,591.62	57,591.62	
Mexico	75,000.00	75,000.00	
Myanmar	2,318.39	2,318.39	

SCHEDULE 10.3 (continued)

	Funds pledged	Funds received	
		Summit	Mobilization
Nepal	1,000.00		1,000.00
Netherlands	100,000.00	100,000.00	
Nigeria	50,000.00	50,000.00	
Norway	96,952.22	96,952.22	
Pakistan	50,079.68	50,079.68	
Philippines	2,500.00	2,500.00	
Republic of Korea	50,000.00		50,000.00
Romania	10,000.00	10,000.00	
Russian Federation	100,000.00	100,000.00	
Saint Vincent and the Grenadines	1,851.00	0.00	
Saudi Arabia	20,000.00	20,000.00	
Senegal	23,904.38		23,904.38
Singapore	10,000.00	10,000.00	
Sri Lanka	2,500.00	2,500.00	
Sudan	25,000.00	25,000.00	
Sweden	200,000.00	200,000.00	
Switzerland	50,000.00		50,000.00
Thailand	2,000.00	2,000.00	
Tunisia	2,000.00	2,000.00	
Turkey	25,000.00	25,000.00	
Uganda	30,000.00		30,000.00
Ukraine	15,000.00	15,000.00	
United Kingdom of Great Britain and Northern Ireland	134,615.38	134,615.38	
United States of America	150,000.00	150,000.00	
Uruguay	1,000.00	0.00	
Venezuela	50,000.00		50,000.00
Yugoslavia	20,000.00		20,000.00
Zaire	50,000.00	50,000.00	
Zimbabwe	50,000.00	50,000.00	
	3,648,578.95	2,938,845.36	617,208.59
NATIONAL COMMITTEES FOR UNICEF			
Austria	5,504.59		5,504.59
Belgium	10,000.00		10,000.00
Bulgaria	2,475.00		0.00
Canada	50,877.19		50,877.19
Germany, Federal Republic of a/	130,000.00		130,000.00
Greece	31,318.68	31,318.68	
France	49,541.28		49,541.28
Italy	49,195.65		49,195.65
Japan	133,333.33		133,333.33

SCHEDULE 10.3 (concluded)

	Funds pledged	Funds received	
		Summit	Mobilization
Luxembourg	2,857.15		2,857.15
Netherlands	150,000.00		150,000.00
New Zealand	1,119.61		1,119.61
Poland	2,500.00		0.00
Portugal	2,501.51		2,501.51
San Marino	811.04		811.04
Spain	129,314.07		129,314.07
Sweden	25,000.00		25,000.00
Switzerland	20,000.00		20,000.00
Turkey	25,000.00		25,000.00
United Kingdom of Great Britain and Nothern Ireland	114,813.59		114,813.59
United States of America	300,000.00		290,000.00
Yugoslavia	1,932.22		1,932.22
	1,238,094.91	31,318.68	1,191,801.23
OTHERS b/			
Congo	810.81		810.81
Gambia	6,787.67	0.00	
Saudi Arabia	25,000.00		25,000.00
United States of America	1,200.00	500.00	700.00
	33,798.48	500.00	26,510.81
TOTAL PLEDGES/FUNDS RECEIVED	4,920,472.34	2,970,664.04	1,835,520.63
EXPENDITURES INCURRED		2,885,798.45	1,799,550.20
UNSPENT BALANCE		84,865.59	35,970.43
BUDGETS APPROVED BY THE EXECUTIVE BOARD	5,134,445.00	2,994,762.00	2,139,683.00

a/ Through accession of the German Democratic Republic to the Federal Republic of Germany with effect from 3 October 1990, the two German States have united to form one sovereign State. As from the date of unification, the Federal Republic of Germany acts in the United Nations under the designation of "Germany".

b/ Contributions received from individuals and private organizations in these countries.

SCHEDULE 11

Income, expenditures and fund balance related to procurement services - staff and related cost for the biennium ended 31 December 1991

(United States dollars)

SOURCES OF FUNDS	
Fund balance, 1 January 1990	831,296.37
Funds received	4,040,427.97
Interest income procurement services	1,325,725.23
Total funds available	6,197,449.57
USES OF FUNDS	
Staff-related expenses	5,230,519.57
Transfers to income	112,082.21
Total expenditures and transfers	5,342,601.78
Fund balance, 31 December 1991	854,847.79

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts

1. Until 31 December 1987, UNICEF accounts were maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of the work of UNICEF.

2. By its decision 1987/13, taken at its 1987 regular session, the Executive Board adopted the UNICEF Financial Regulations and Rules in accordance with Economic and Social Council decision 1986/1981 of 23 July 1986, as approved by the General Assembly in its decision 41/461 of 11 December 1986.

3. By its decision 1987/2, taken at its 1987 regular session, the Executive Board decided that effective 1 January 1988, UNICEF would commence its financial reporting on a biennial basis.

4. Since 1 January 1988, the accounts have been maintained on a biennial basis in accordance with the UNICEF Financial Regulations and Rules.

5. Contributions income received from National Committees and non-governmental organizations is accounted for on a cash basis of accounting, with the exception of supplementary funds and emergency contributions, which may be recorded on the basis of a valid pledge from a National Committee. The validity of the pledge is determined by the existence of funds raised and a statement from the National Committee that it is committing funds to UNICEF in the form of a pledge.

6. The accounting unit is the United States dollar. The equivalent in United States dollars of other currencies is established on the basis of the United Nations operational rates of exchange. Differences between the valuation of the currencies when entered into the accounts and when actual transactions are made are accounted for as gains or losses on exchange transactions.

7. Periodically, assets and liabilities in currencies other than United States dollars are valued for accounting purposes at the prevailing United Nations operational rates of exchange. Any variance due to fluctuation of those rates is accounted for as income or loss and shown separately in the statement of income and expenditure. In accordance with UNICEF Executive Board decision 1990/28, differences resulting from the payment of contributions pledged in currencies other than United States dollars are recorded against these contributions.

8. The financial report and accounts reflect UNICEF income, expenditure, assets and liabilities, including those of the Greeting Card Operation. The principles of consolidation reflect the accounting policies outlined in paragraphs 9 to 13 below.

9. The reporting period and accounts of the Greeting Card Operation are maintained on a fiscal year basis, ending 30 April.

10. However, for consolidation purposes only, the UNICEF financial statements include the accounts of the Greeting Card Operation on a calendar year basis,

as at 31 December, based on the trial balance of the accounts of the Greeting Card Operation.

11. The trial balance of the accounts of the Greeting Card Operation on a caldendar year basis, as at 31 December, is derived by estimating receivables, sales and profit on goods delivered to consignees from the ongoing Greeting Card Operation campaign.

12. The financial effect of consolidating the accounts of the Greeting Card Operation on a calendar basis is reflected, most notably, in the receivables and earning of the Greeting Card Operation.

13. Inter-office transactions between UNICEF and the Greeting Card Operation are eliminated for consolidation purposes.

Income and expenditure

14. Income consists of general resources and supplementary funds. General resources include funds from the voluntary annual contributions of Governments, the net income from the Greeting Card Operation, unearmarked funds contributed by the public and other income. Supplementary funds are those contributed to UNICEF by Governments, intergovernmental organizations, non-governmental organizations and United Nations agencies for emergencies and for specific purposes within the programmes approved by the UNICEF Executive Board. These earmarked contributions become part of UNICEF income. If specific terms and conditions are established by donors, separate accounts are maintained for purposes of reporting and financial management.

15. Income is recorded on the basis of funds or pledges received for the current year. Pledges received for future years for purposes specified by donors are considered deferred income and recorded as "pledged and received in advance" (statement II).

16. Donations-in-kind, which are recorded as memorandum entries in the books of accounts, are not part of UNICEF income.

17. The statement of income and expenditures (statement I) does not include funds received and expenditures made from special accounts, which are reflected in schedules 10, 10.1, 10.2 and 10.3. Those transactions which do not require approval by the Executive Board are maintained as special accounts.

Assets and liabilities

18. All funds received are deposited into UNICEF bank accounts, including those under special account arrangements, and reflected as cash holdings.

19. All outstanding pledges for contributions are recorded as receivables (see para. 15 above).

20. Prior to 1989, certain buildings purchased by UNICEF and considered as capital assets were valued at cost less accumulated depreciation. In 1989, the unamortized value of UNICEF capital assets was expended against the 1988-1989 budget, resulting in a fully depreciated UNICEF capital asset account as at 31 December 1989.

21. During 1990, a capital asset fund was established better to control the future purchase of UNICEF capital assets, mainly buildings to be purchased for office accommodations and staff housing in the field. The capital asset fund was created through a transfer from general resources.

22. Future acquisitions of UNICEF capital assets will be included in the capital asset fund and, at such time as may be necessary, additional authorized appropriations will be made to replenish the capital asset fund.

23. The stock of programme supplies at the UNICEF Supply Division warehouse at Copenhagen is shown at average cost. Goods-in-transit to the warehouse are valued at actual cost. Freight paid for supplies to the warehouse is considered part of the cost of supplies. The aggregate total represents the inventory, the value of which is adjusted by the accumulated variance between average and actual costs.

24. The Greeting Card Operation inventory of raw materials, products in process and finished goods are valued at standard cost.

25. No provision is made for staff entitlements for repatriation, etc., in future years or to meet contingencies under appendix D of the United Nations Staff Rules, as funds are provided in the budget appropriations as required.

26. A reserve for insurance of $200,000 was established in November 1950 to absorb losses of UNICEF programme supplies and equipment not covered by commercial insurance. The reserve is restored to its authorized limit by a transfer from income. In 1987, UNICEF decided to self-insure for property losses of $100,000. Accordingly, a reserve funded from the budget was established. This reserve was funded equally from the biennium 1986-1987 and the biennium 1988-1989.

ANNEX I

Statistical and other data

The present annex comprises tables giving statistical and other data concerning UNICEF activities which, although not forming part of the financial statements, are provided for information purposes.

Tables

1. Total programmes funded from general resources and supplementary funds approved in 1990 and 1991 (summary by region and type of programme).

2. Summary of programmes funded from general resources approved by the Executive Board at its 1990 and 1991 sessions (by region and type of programme).

3. Programmes entering into effect during 1990 and 1991 between Board sessions corresponding to specific contributions received or pledged during 1990-1991 and adjustments and transfers.

4. Summary of expenditures in 1990 and 1991 by region and type of programme.

5. Expenditure for cooperation by programme in 1990 and 1991.

6. Status of funds from the United Nations system related to Board-approved programmes as at 31 December 1991.

7. Assistance financed by UNFPA through UNICEF in the biennium 1990-1991.

Table 1

Total programmes funded from general resources and supplementary funds approved in 1990 and 1991; summary by region and type of programme

(Thousands of United States dollars)

	Africa		Asia		Middle East and North Africa		Americas and the Caribbean		Interregional a/		Total			Percentage
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	Total	
Health	85,364	102,523	79,886	100,942	21,176	19,133	19,515	12,514	4,527	41,588	210,468	276,700	487,168	38
Water supply and sanitation	39,797	30,984	26,997	71,798	4,392	13,065	1,947	14,291		4,500	73,133	134,638	207,771	13
Nutrition	9,551	2,138	16,293	15,995	980	780	3,489	2,884	3,577	5,132	33,890	26,929	60,819	6
Household food security	3,620	10,517	1,130	2,106			1,525	84			6,275	12,707	18,982	1
Education	10,012	30,073	12,108	41,524	3,728	9,316	7,419	7,233	15,000		48,267	88,146	136,413	9
Young child development	724	70	689	54,295	1,070		3,099	1,909			5,582	56,274	61,856	1
Community organization and development	4,773	3,457	8,267	12,707	216	750	2,289	4,075			15,545	20,989	36,534	3
Area-based, integrated and urban services	9,406	4,333	477	6,415	1,345	9,532	3,822	881			15,050	21,161	36,211	3
Women-centred programmes	4,073	2,907	670	23,820	421	1,810	4,901	1,178			10,065	29,715	39,780	2
Children in especially difficult circumstances	7,217	2,458	2,737	6,568	1,050	1,836	5,544	7,329	300	1,294	16,848	19,485	36,333	3
Advocacy	6,536	8,331	6,930	5,210	2,215	1,800	4,268	5,437	1,000	1,030	20,949	21,808	42,757	4
Planning and social statistics	18,728	9,042	4,500	4,855	3,153	3,860	6,586	4,172	25	53,049	32,992	74,978	107,970	6
Programme support		14,315		17,815		1,370		3,840				37,340	37,340	
Emergency relief and rehabilitation	14,372	40,919	11,744	8,353	22,352	72,192	1,068	712	6,793	9,985	56,329	132,161	188,490	10
Unallocated reserve b/		(26)	4,745	216		40	6,000	359	4,677		15,422	589	16,011	3
Total	214,173	262,041	177,173	372,619	62,098	135,484	71,472	66,898	35,899	116,578	560,815	953,620	1,514,435	100
Recovery												7,730	7,730	
Balance from previously approved programme											(25,716)	(14,109)	(39,825)	
Subtotal	214,173	262,041	177,173	372,619	62,098	135,484	71,472	66,898	35,899	116,578	535,099	947,241	1,482,340	
Savings and deficit											(148)	346	198	
Adjustments											10,656		10,656	
GLOBAL TOTAL											545,607	947,587	1,493,194	

a/ Includes, in 1992 figures, the amount of $2,985 for Central European countries.

b/ This assistance can not be broken down into the categories above.

Table 2

Summary of programmes funded from general resources approved by the Executive Board at its 1990 and 1991 sessions, by region and type of programme

(Thousands of United States dollars)

	Africa		Asia		Middle East and North Africa		Americas and the Caribbean		Interregional		Total			Percentage
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	Total	
Health	45,928	65,794	27,409	64,994	18,365	15,075	12,331	4,830	3,000	41,000	107,033	191,693	298,726	32
Water supply and sanitation	17,804	22,533	15,669	29,500	2,003	6,805	827	290		4,500	36,303	63,628	99,931	11
Nutrition	8,399	900	13,321	8,905	880	490	1,872	1,215	3,479	4,955	27,951	16,465	44,416	5
Household food security	2,305	8,227	775	1,605			1,393				4,473	9,832	14,305	2
Education	9,362	24,110	6,859	31,165	3,144	7,750	3,570	917	15,000		37,935	63,942	101,877	11
Young child development	724	70	494	54,120	1,070		2,815	1,650			5,103	55,840	60,943	7
Community organization and development	2,913		6,707	11,500	198	450	785	1,490			10,603	13,440	24,043	3
Area-based, integrated and urban services	8,440	3,935		6,380	760	6,040	3,712	800			12,912	17,155	30,067	3
Women-centred programmes	3,973	2,657	425	21,945	75	1,775	2,742	270			7,215	26,647	33,862	4
Children in especially difficult circumstances	6,118	1,353	370	4,034	486	1,635	574	3,460		900	7,548	11,382	18,930	2
Advocacy	6,201	7,949	6,847	5,210	2,038	1,800	3,478	4,922	1,000		19,564	19,881	39,445	4
Planning and social statistics	2,055	8,377	469	4,445	319	3,860	2,146	2,855	25	44,700	5,014	64,237	69,251	8
Programme support	15,850	14,139	3,951	17,815	2,834	1,370	3,145	3,273			25,780	36,597	62,377	7
Emergency relief and rehabilitatie#	1,280		2,000						2,698	7,000	5,978	7,000	12,978	1
Unallocated reserve a/			4,745	216			6,000				10,745	216	10,961	1
Total	131,352	160,044	90,041	261,834	32,172	47,050	45,390	25,972	25,202	103,055	324,157	597,955	922,112	100
Balance from previously approved programmes											(25,716)	(14,109)	(39,825)	
Subtotal new programme											298,441	583,846	882,287	
Savings and deficit											(148)	346	198	
GLOBAL TOTAL											298,293	584,192	882,485	

a/ This assistance can not be broken down into the categories above.

Table 3

Programmes entering into effect during 1990 and 1991 between Board sessions corresponding to specific contributions received or pledged during 1990-1991 and adjustments and transfers

(Thousands of United States dollars)

	Africa		Asia		Middle East and North Africa		Americas and the Caribbean		Interregional a/		Total			Percentage
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	Total	
Health	39,436	36,728	52,477	35,948	2,811	4,058	7,184	7,684	1,527	588	103,435	85,006	188,441	31
Water supply and sanitation	21,993	8,451	11,328	42,298	2,389	6,260	1,120	14,001			36,830	71,010	107,840	18
Nutrition	1,152	1,238	2,972	7,090	100	290	1,617	1,669	98	177	5,939	10,464	16,403	3
Household food security	1,315	2,290	355	501			132	84			1,802	2,875	4,677	1
Education	650	5,963	5,249	10,359	584	1,566	3,849	6,316			10,332	24,204	34,536	6
Young child development			195	175			284	259			479	434	913	
Community organization and development	1,860	3,457	1,560	1,207	18	300	1,504	2,585			4,942	7,549	12,491	2
Area-based, intergrated and urban services	966	398	477	35	585	3492	110	81			2,138	4,006	6,144	1
Women-centred programmes	100	250	245	1,875	346	35	2,159	908			2,850	3,068	5,918	1
Children in especially difficult circumstances	1,099	1,105	2,367	2,534	564	201	4,970	3,869	300	394	9,300	8,103	17,403	3
Advocacy	335	382	83		177		790	515		1,030	1,385	1,927	3,312	1
Planning and social statistics	823	665	80	410			1,295	1,317		8,349	2,198	10,741	12,939	2
Programme support		176						567				743	743	
Emergency relief and rehabilitation	13,092	40,919	9,744	8,353	22,352	72,192	1,068	712	4,095	2,985	50,351	125,161	175,512	29
Unallocated reserve b/		(26)				40		359	4,677		4,677	373	5,050	1
Total	82,821	101,996	87,132	110,785	29,926	88,434	26,082	40,926	10,697	13,523	236,658	355,664	592,322	97
Adjustments	2,713		6,606		30		623		684		10,656	0	10,656	2
Recovery												7,730	7,730	1
Grand Total	85,534	101,996	93,738	110,785	29,956	88,434	26,705	40,926	11,381	13,523	247,314	363,394	610,708	100

a/ Includes, in 1992 figures, the amount of $2,985 for Central European countries.

b/ This assistance can not be broken down into the categories above.

Table 4

Summary of expenditures in 1990 and 1991 by region and type of programme

(Thousands of United States dollars)

	Africa		Asia		Middle East and North Africa		Americas and the Caribbean		Interregional a/		Total			Percentage
	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	Total	
Child health														
Immunization	51,135	30,856	71,214	48,670	14,016	10,306	11,263	6,349	1,457	2,238	149,085	98,419	247,504	21
Oral rehydration therapy	2,809	2,391	2,915	3,328	1,552	1,362	1,378	1,322	621	549	9,275	8,952	18,227	2
Other health	50,715	50,314	24,066	24,442	5,780	6,763	10,073	10,531	1,216	2,945	91,850	94,995	186,845	16
Subtotal, Child health	104,659	83,561	98,195	76,440	21,348	18,431	22,714	18,202	3,294	5,732	250,210	202,366	452,576	39
Child nutrition and food	13,302	11,187	10,927	12,506	323	209	2,194	2,367	2,354	4,478	29,100	30,747	59,847	5
Water supply and sanitation	26,554	28,110	43,056	33,802	7,699	6,350	4,753	4,988	334	39	82,396	73,289	155,685	13
Education b/	11,567	11,079	34,922	25,998	2,983	3,090	6,483	7,095	1,167	1,111	57,122	48,373	105,495	9
Other programme areas a/	13,909	9,097	11,971	14,616	2,218	1,936	12,666	12,494	492	707	41,256	38,850	80,106	7
Emergency c/	18,947	34,799	10,972	15,043	18,389	54,656	212	2,232	619	4,014	49,139	110,744	159,883	14
Planning/advocacy/ programme support	27,492	32,725	22,720	21,272	3,659	5,398	8,915	13,294	12,321	14,033	75,107	86,722	161,829	14
Total	216,430	210,558	232,763	199,677	56,619	90,070	57,937	60,672	20,581	30,114	584,330	591,091	1,175,421	100
Programme support services											84,947	92,222	177,169	
Total assistance											669,277	683,313	1,352,590	
Administrative services											68,652	74,460	143,112	
Recovery from programmes											(4,045)	(5,984)	(10,029)	
TOTAL EXPENDITURE											733,884	751,789	1,485,673	

a/ Consists of community development and organization, children in especially difficult circumstances and women-centred programmes.

b/ Includes young child development programme.

c/ Includes, in 1992 figures, an amount of $3,357 for Central European countries.

Table 5

Expenditure for cooperation by programme in 1990 and 1991

(Thousands of United States dollars)

	1988		1989		Total 1988-1989		1990		1991		Total 1990-1991		1990-91 over 1988-89 Increase (decrease)	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	%
Child health	158,186	40	203,464	41	361,650	40	250,216	43	202,366	34	452,582	39	90,932	36
Child nutrition	22,394	6	27,566	6	49,960	6	29,085	5	30,747	5	59,832	5	9,872	34
Water supply and sanitation	68,456	17	75,693	15	144,149	16	82,396	14	73,289	12	155,685	13	11,536	14
Education a/	36,735	9	36,549	7	73,284	8	57,122	10	48,373	8	105,495	9	32,211	56
Other programme areas b/	29,025	7	34,590	7	63,615	7	41,252	7	38,850	7	80,102	7	16,487	40
Emergency c/	32,233	8	49,277	10	81,510	9	49,139	8	110,744	19	159,883	14	78,373	159
Planning/advocacy/ programme support	52,490	13	73,983	15	126,473	14	75,120	13	86,722	15	161,842	14	35,369	47
Total	399,519	100	501,122	100	900,641	100	584,330	100	591,091	100	1,175,421	100	274,780	47
Programme support services	67,710		76,485		144,195		84,947		92,222		177,169			
Total assistance	467,229		577,607		1,044,836		669,277		683,313		1,352,590			

a/ Includes young child development.

b/ Consists of community development and organization, children in especially difficult circumstances and women-centred programmes.

c/ Includes, in 1992 figures, an amount of $3,357 for Central European countries.

Table 6

Status of funds from the United Nations system related to Board-approved programmes as at 31 December 1991

(United States dollars)

	Opening balance 1 January 1990	Received	Accounts adjusted	Total	Expenditures	Returned/ transferred	Balance 31 December 1991
UNDRO	267,337.64	6,134,458.90		6,401,796.54	5,374,631.30		1,027,165.24
UNHCR	(41,469.89)			(41,469.89)	3,761.17		(45,231.06)
UNCDF	(1,201,472.62)	3,666,713.70		2,465,241.08	2,309,037.18		156,203.90
UNDP	(920,747.72)	391,200.00		(529,547.72)	1,290,434.47		(1,819,982.19)
UNFPA	26,177.04	1,775,000.00		1,801,177.04	3,253,583.52		(1,452,406.48)
UNESCO			4,832.00	4,832.00	332.00		4,500.00
United Nations Secretary-General's appeals	5,000.25		(5,000.25)	0.00	0.00		0.00
United Nations African Emergency Trust Fund	553,388.39		168.25	553,556.64	1,210,513.78		(656,957.14)
Office of the Special Representative of the Secretary-General for Cambodia	(600,000.00)			(600,000.00)			(600,000.00)
Coordinator for United Nations Assistance Programme Relating to Afghanistan	3,586,539.79	4,648,962.23		8,235,502.02	6,268,477.37		1,967,024.65
World Bank	(257,754.36)			(257,754.36)	120.82		(257,875.18)
PAHO, Washington		30,000.00		30,000.00	19,240.73		10,759.27
Total	1,416,998.52	16,646,334.83	0.00	18,063,333.35	19,730,132.34	0.00	(1,666,798.99)

Table 7

Assistance financed by UNFPA through UNICEF in the biennium 1990-1991

(United States dollars)

Country	Unspent balance of commitments as of 1 January 1990	New allocations	Adjustment	Total	Expenditure	Unspent balance commitments as at 31 December 1991
Africa						
Central African Republic	61,316	(50,530)	(10,786)	0		0
Mali	2,109	(2,109)		0		0
Senegal	34			34	34	0
Asia						
Afghanistan	26,688		(11,076)	15,612	15,612	0
China	20,000	(20,000)		0		0
Sri Lanka	11			11	11	0
Total	110,158	(72,639)	(21,862)	15,657	15,657	0

ANNEX II

Glossary of selected UNICEF terminology used in the report

ACCOUNTS, AUDITED

The financial statements of the organization for a specified period or at a specified date audited by the External Auditors (United Nations Board of Auditors).

ACCRUAL SYSTEM OF ACCOUNTING

To record income or expenditures in the acounting period to which they relate, notwithstanding that the receipt or payment of funds may take place in a different accounting period.

BUDGET

A plan in financial terms for carrying out proposed activities in a specified time. The Executive Board approves an appropriation of funds for UNICEF administrative and programme support costs.

Budget estimates

Estimates of the costs of proposed administrative and programme support activities prepared for submission to the UNCIEF Executive Board for the approval of relevant appropriations.

Budget estimates, revised

Resulting from Executive Board approval of "supplementary estimates" proposed to adjust an approved budget.

Budget appropriations

The total appropriation of funds approved by the Executive Board for UNICEF administrative and programme support costs, against which obligations may be incurred for those purposes up to the amount so approved.

CASH HOLDINGS

The aggregation of all the funds of the organization, including coins, bank notes, cheques, balances in current and call accounts, saving accounts and interest-bearing deposits.

Cash-in-transit

Cash transfers between one or more UNICEF bank accounts at a specified time.

Cash in current bank accounts

The aggregate of money maintained in UNICEF bank accounts, as reflected in UNICEF books of account, to sustain operational requirements.

Cash in interest-bearing deposits

Funds temporarily available, over those needed for immediate requirement, held in short-term interest-bearing deposits and ready to be drawn down when needed.

Cash-on-hand
(also called "petty cash")

Cash kept on hand by authorized officers as a convenience for making small payments on behalf of the organization.

CONTRIBUTIONS, VOLUNTARY

Contributions to UNICEF that are offered and accepted without reference to a scale of assessment determined by any United Nations legislative body.

CONTRIBUTIONS RECEIVABLE

Contributions pledged to UNICEF but not received until a future time.

CURRENCIES OF "RESTRICTED USE" FOR UNICEF

Currencies, the use of which (mainly in respect of transferability and convertibility) is limited because of foreign exchange regulations or donor's wish. When those limitations do not exist, the currencies are considered by UNICEF as "unrestricted" because they are fully convertible.

EARMARKED

To give expression to a restriction imposed by agreement or by administrative action on the use of an account or of an equivalent amount of assets.

EQUIPMENT, NOT-EXPENDABLE

Equipment with a serviceable life of more than one accounting period for which inventory records are maintained.

EXPENDITURES

The payment of cash or the incurring of a liability for the purpose of programme cooperation or in support thereof. Programme expenditures, which are recorded on an accrual basis, reflect the actual UNICEF inputs for the period in the form of supplies, equipment and/or services.

FINANCIAL PERIODS

The operating period of the organization covered by the financial statements is on a biennial basis.

FINANCIAL REGULATIONS

Until 31 December 1987, UNICEF accounts were maintained in accordance with the Financial Regulations of the United Nations, with such modifications as required by the nature of UNICEF work. Since 1 January 1988, UNICEF accounts have been maintained in accordance with the UNICEF Financial Regulations and Rules.

FUND BALANCE

The aggregate net value of UNICEF expressed as the net balance of total assets minus total liabilities. Consists of funds available for the implementation of programmes funded by general resources and supplementary funds as well as funds available for the acquisition of capital assets.

INCOME

Money or firm pledges received or accrued during a financial period that increase the resources of UNICEF for implementation of approved programmes.

UNICEF income is recorded on the basis of funds or pledges received for the current year. It comprises funds classified as "general resources" and "supplementary funds".

Income, deferred

Funds received or pledges recorded as receivable, attributable to future financial periods and, therefore, not credited to the income account of the period reported on.

Income, general resources

Unearmarked income which includes funds from voluntary annual contributions of Governments, the net income from the Greeting Card Operation, funds contributed by the public and certain "other (or miscellaneous) income".

Income, other

Also referred to as "miscellaneous income" for general resources.

Income other than the value of the voluntary contributions and the net income of the Greeting Card Operation.

Income, supplementary funds

Specific contributions for programmes approved by the UNICEF Executive Board, in addition to general resources, which then become part of UNICEF programmes.

Consists of funds contributed to UNICEF by Governments, non-governmental organizations and United Nations agencies for specific purposes.

INVENTORY

The value of supplies and equipment for programmes owned by the organization, as well as Greeting Card Operation materials at the end of an accounting or financial period.

LIQUIDITY POLICY

Owing to the nature of programme implementation and UNICEF cash flows, there may occur, from time to time, short-term imbalances between general resources cash disbursements and cash receipts. UNICEF liquidity policy allows these temporary imbalances to be offset by up to one half of the balance of supplementary cash-on-hand.

LIQUIDITY REQUIREMENT

To meet UNICEF liquidity requirements, general resources convertible cash balances, at the end of each fiscal year, are required to equal 10 per cent of projected general resources income for the next fiscal year.

LOCAL CURRENCY

The currency of the country or area in which the local financial records of an activity are kept and/or in which its local financial transactions take place.

OBLIGATION

A financial engagement involving a liability against the resources of the current financial period.

PLEDGE

A written commitment by a prospective donor to make a voluntary contribution to UNICEF. A written commitment which is subject to the need to secure an appropriate national legislative approval is considered a pledge.

PROCUREMENT SERVICES

UNICEF assists Governments, United Nations agencies and non-governmental organizations working in the fields of benefit to children, by undertaking, on request and on a reimbursable basis, the procurement of goods and services. A small handling charge is added by UNICEF to the cost of the supplies and services to cover the costs of extra administration and documentation (see special accounts).

RATES OF EXCHANGE

The UNICEF accounts are maintained in United States dollars. Transactions in other currencies are converted for recording into United States dollars, in principle, at the United Nations operational rates of exchange.

RESERVE FOR INSURANCE

A reserve of $200,000 was established by the Executive Board in November 1950 when UNICEF adopted a policy of self-insurance for programme supplies. The reserve is then restored annually to the level of $200,000 by transfer from UNICEF income (other income). UNICEF also has a reserve of $100,000 for third-party liability.

SCHEDULE

Explanatory or supporting analyses accompanying financial statements.

SPECIAL ACCOUNTS

Funds accepted by UNICEF mainly to cover the costs of reimbursable procurement of supplies and services undertaken by UNICEF on behalf of others. They also include financing provided by sponsors to cover the costs of Junior Professional Officers as well as costs specifically approved by the Board, such as those relating to the World Summit for Children and the World Conference on Education for All. These funds are not considered UNICEF income, therefore, for accounting and reporting purposes, they are recorded separately and distinguished from funds that are part of income and are spent for programmes approved by the Board.

SPECIFIC CONTRIBUTIONS

Programme recommendations are often prepared in excess of the input available from general resources. These recommendations are approved by the Board as suitable for funding by supplementary contributions (or purpose-specific contributions) from donors.

STAFF ASSESSMENT

A deduction from the gross salary of a staff member of an amount in lieu of income tax.

UNENCUMBERED BALANCE

That portion of the approved budget that has not been expended at the end of the year. The unspent balance at the end of the biennium is cancelled and reported to the Executive Board.

WRITE-OFF

An adjustment to the accounts in order to record the loss of or reduction in the value of an asset.

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